

CORRECTED Pls' Ex. 17  
(PCCX344 - UFC Company  
Overview)



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# UFC Sizzle Reel

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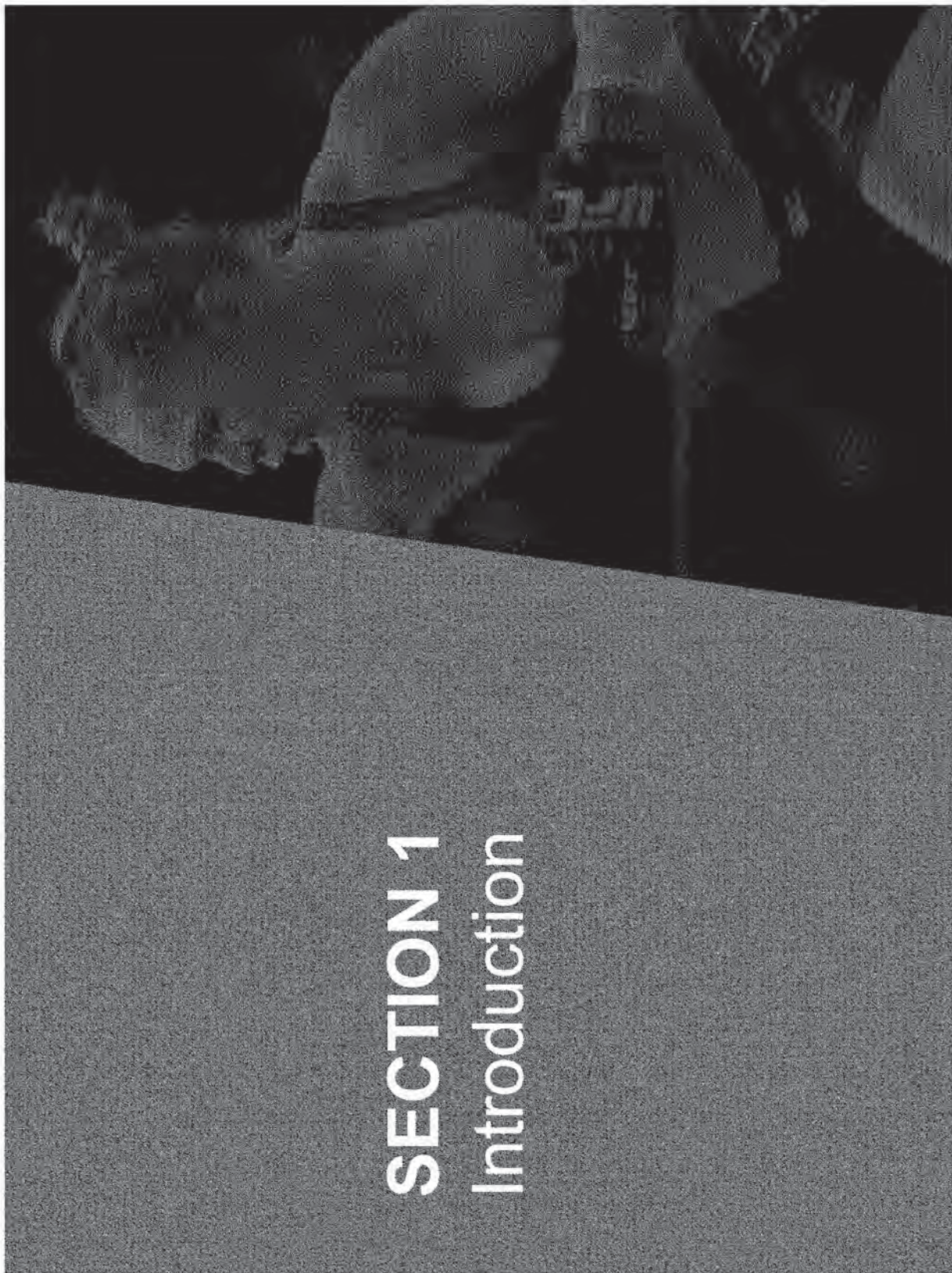
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3

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# SECTION 1

## Introduction

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# Presenters

Executive	Tenure	Biography
<b>Lorenzo Fertitta</b> Chief Executive Officer	15 Years	<ul style="list-style-type: none"> <li>Lorenzo is Chairman and CEO of Zuffa</li> <li>He is an entrepreneur, casino executive, sports promoter, and active philanthropist</li> </ul>
<b>Ike Lawrence Epstein</b> Senior EVP & Chief Operating Officer	9 Years	<ul style="list-style-type: none"> <li>Lawrence serves as COO of Zuffa and oversees all of the company's operations including marketing, production, legal, athlete development, and finance. The executive team reports directly to Lawrence and he is responsible for managing the global business</li> <li>Under his guidance, Zuffa spearheaded the regulatory effort for the sport of Mixed Martial Arts ("MMA"), gaining approval and sanction from the most prestigious regulatory bodies across the globe and in all 50 US states</li> </ul>
<b>Nakisa Bidarian</b> EVP & Chief Financial Officer	5 Years	<ul style="list-style-type: none"> <li>Nakisa joined Zuffa in 2011 as SVP of Investment and Strategy. In his current role as CFO, he is responsible for finance, accounting, strategy, and corporate development</li> <li>Prior to joining Zuffa, he was Senior Vice President of Acquisitions and Investment Management with Mubadala Development Company</li> </ul>
<b>Kirk Hendrick</b> EVP & Chief Legal Officer	14 Years	<ul style="list-style-type: none"> <li>Kirk joined Zuffa as General Counsel in 2002</li> <li>Kirk previously worked for the Nevada Attorney General's Office, attaining the title of Chief Deputy Attorney General, and provided counsel to the Nevada Gaming Commission and State Gaming Control Board, as well as the Nevada Athletic Commission that oversees unarmed combat</li> </ul>
<b>Joe Carr</b> SVP of International	4 Years	<ul style="list-style-type: none"> <li>Joe joined Zuffa in 2012 as Senior Director of Investment and Strategy</li> <li>In his current role, he is responsible for the organization's international strategy and operations</li> <li>Prior to joining Zuffa, he worked in the Acquisitions Group at CIM Group and BlackRock</li> </ul>
<b>Denitza Batchvarova</b> SVP of Strategy	4 Years	<ul style="list-style-type: none"> <li>Deni joined Zuffa in 2012 as Senior Director of Investment and Strategy</li> <li>In her current role, she is responsible for corporate development, strategic, business and financial planning, data management, transactional and ratings analysis</li> <li>Prior to joining Zuffa, she worked in the Global Industrial Group at Citigroup</li> </ul>

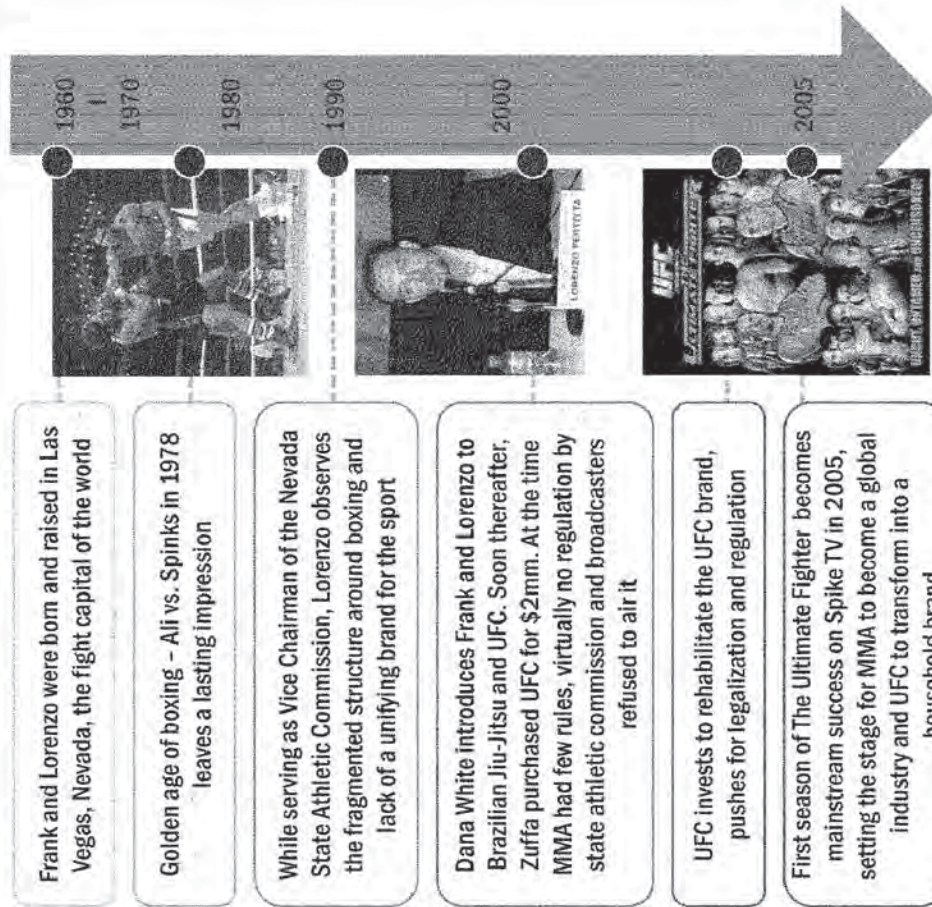
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## History of Zuffa



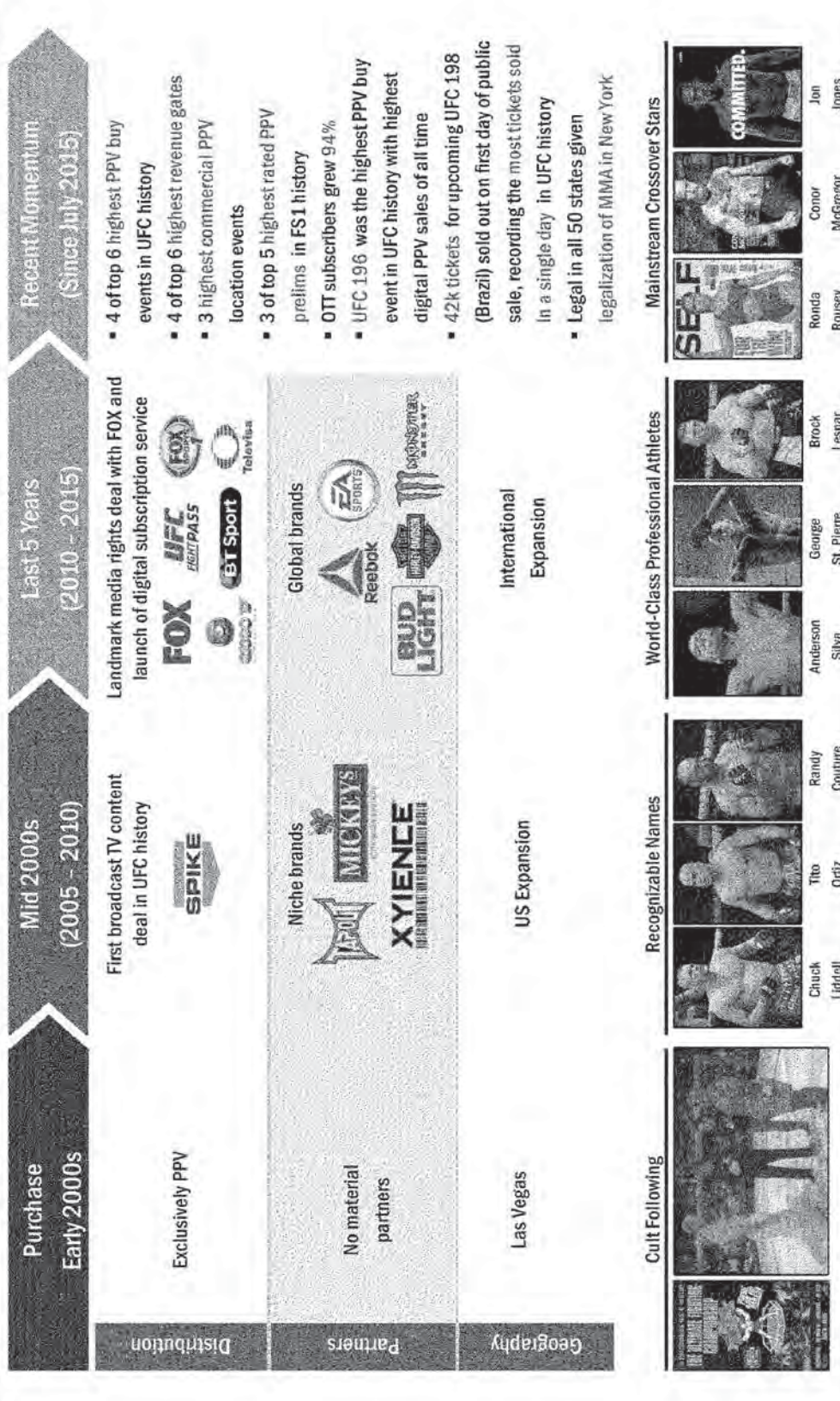
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# Evolution of UFC's Business Model



# UFC

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# Industry Overview

## The Sport

- The ultimate combat sport combining all variations of traditional martial arts
- MMA blends fighting styles and skills into well-rounded, balanced competition

### MMA

### Ways to Win

- 3 main ways to win a fight:  
Knockout, Submission or Decision

### Weight Classes

- 10 weight classes provide an even, competitive landscape for all body types and sexes
- Range from 105 to 265+ pounds

### The Octagon

- The trademarked octagonal, structure in which fighters compete
- Closed structure and padded surface provide additional layers of safety compared to traditional boxing rings

### Rules / Regulations

- Unified Rules of MMA – licensed and sanctioned by governments and federations globally
- Most robust drug testing program in professional sports (in partnership with USADA)

## The Athletes

### Unique Mix of Skill and Technique

For a fighter to be successful in UFC, one must be a master of multiple martial arts disciplines and maintain peak physical condition

### Students of Multiple Disciplines

- Brazilian Jiu Jitsu
- Greco Roman
- Judo
- Muay Thai
- Tae Kwon Do
- Boxing
- Freestyle Wrestling
- Sambo
- Karate
- Sanda / Sanshou

### World Class Athletes

UFC fighters have the pedigree of Olympic champions, world-champions, and NCAA champions. UFC fighters regularly cross train with other pro athletes from around the world

### MMA Competitors

Competitors have consistently emerged to take advantage of the industry UFC created



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# SECTION 2

## Investment Highlights

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## UFC is a Global Phenomenon that is....

### ...simple to understand...

- MMA uniquely transcends culture, race, language and age barriers
- Combines widely-known combat sports that originated thousands of years ago
- Simplicity of rules facilitates universal understanding of the sport
- "May the best man / woman win"
- Economically viable for all potential participants making global growth a reality

### ...and an established brand

- 23 years of history and operational expertise
- UFC is the most recognized brand in combat sports
- Richest content library in combat sports
- 500+ athletes under contract
- Global content distribution - 1.1bn TV households
- Significant global infrastructure - 369 employees, including 60 outside of the US
- Single ownership structure provides 100% flexibility and control in decision-making
- Valuable PPV franchise with long track record

10

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## UFC Sits Atop the Sports and Entertainment Ecosystem

1	Unique Structure is Unrivaled in the World of Sports
2	Content Perfectly Suited for Evolving Distribution and Consumption Habits
3	Brand-Centric, Attractive Margin Business Model
4	Universal Appeal with Desirable Fan Demographics
5	Ability to Create Superstars and Expand the UFC Brand








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## Unique Structure is Unrivaled in the World of Sports

	Global	National / International Content Owner	Local Content Owner	Unilateral Decision Making	Schedule Flexibility	No Seasonality
 Privately Owned Global Sports Organization	✓	✓	✓	✓	✓	✓
 Privately Owned Leagues Largely Controlled by Teams	✓	✓	✓	✗	✗	✗
 Pass-Through Sports League	✗	✓ <sup>1</sup>	✗ <sup>1</sup>	✗	✗	✗
 Sports Teams	✗	✗ <sup>1</sup>	✓ <sup>1</sup>	✗	✗	✗
 Sports Cable, Network, Satellite	✗	✗	✗	✗	✗	NA
 TV Broadcasters	✗	✗	✗	✗	✗	NA
 Sports News, Blogs, Other	✗	✗	✗	✗	✗	NA

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<sup>1</sup> While most major sports league content is ultimately owned by the constituent teams, generally, the league controls the licensing of national / international content with the teams retaining the rights to their local content.

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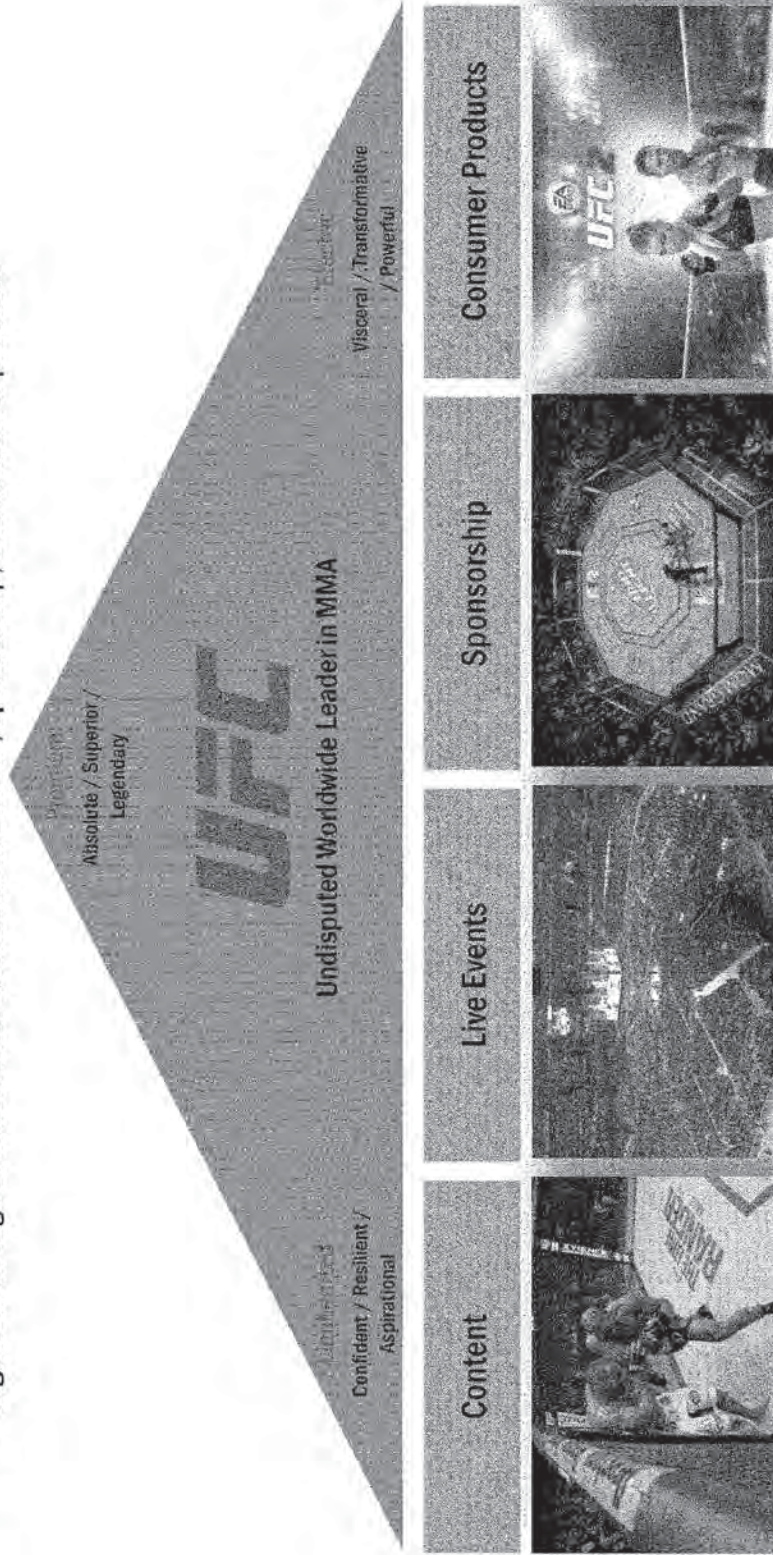
# Content Perfectly Suited for Evolving Distribution and Consumption Habits





## Brand-Centric, Attractive Margin Business Model

- Global brand drives marquee live events that generate 4 diverse revenue streams
  - Fixed revenue vs. variable revenue has increased over time, providing more visible and stable earnings
- Stable cost structure around existing event and content production drives margin growth
  - High flow through of incremental revenue from content, sponsorship, and consumer products



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14

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## Universal Appeal with Desirable Fan Demographics

UFC has been successful in expanding its footprint and capturing a diversified fan base throughout the world

### Fan Demographics

45% between age 18 to 34

71% Men / 29% Women

19% Hispanic / 16% African American

Leading index in streaming live content, short videos and clips, TV shows, music and movies<sup>1</sup>

### Social and Digital Highlights

95mm unique visitors annually to UFC.com

46mm global followers on major social channels

23.6mm Facebook followers

9.8mm Twitter followers

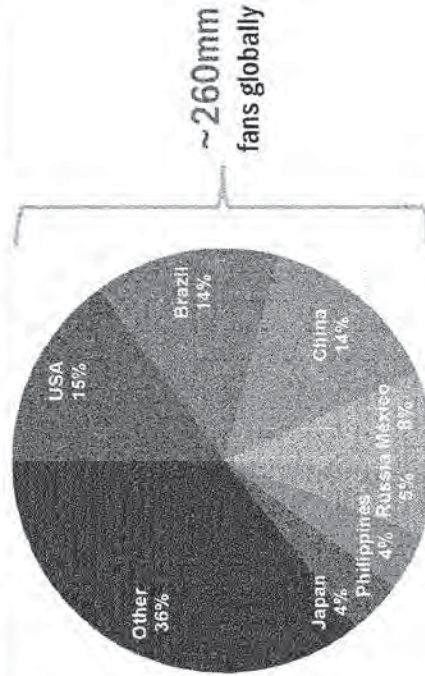
7.5mm Instagram followers

### The Only Truly Global Sports Organization

UFC has a global footprint, hosting events in 19 different countries to date with plans to enter 2 new countries in 2016



### Top Countries by Size of Fan Base



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Source: Scarborough USA+ 2015 Release

<sup>1</sup> Leading index refers to first or second highest index among UFC, NFL, MLB, NBA, NHL, NASCAR, MLS, PGA, ATP, WTA, NCAA.

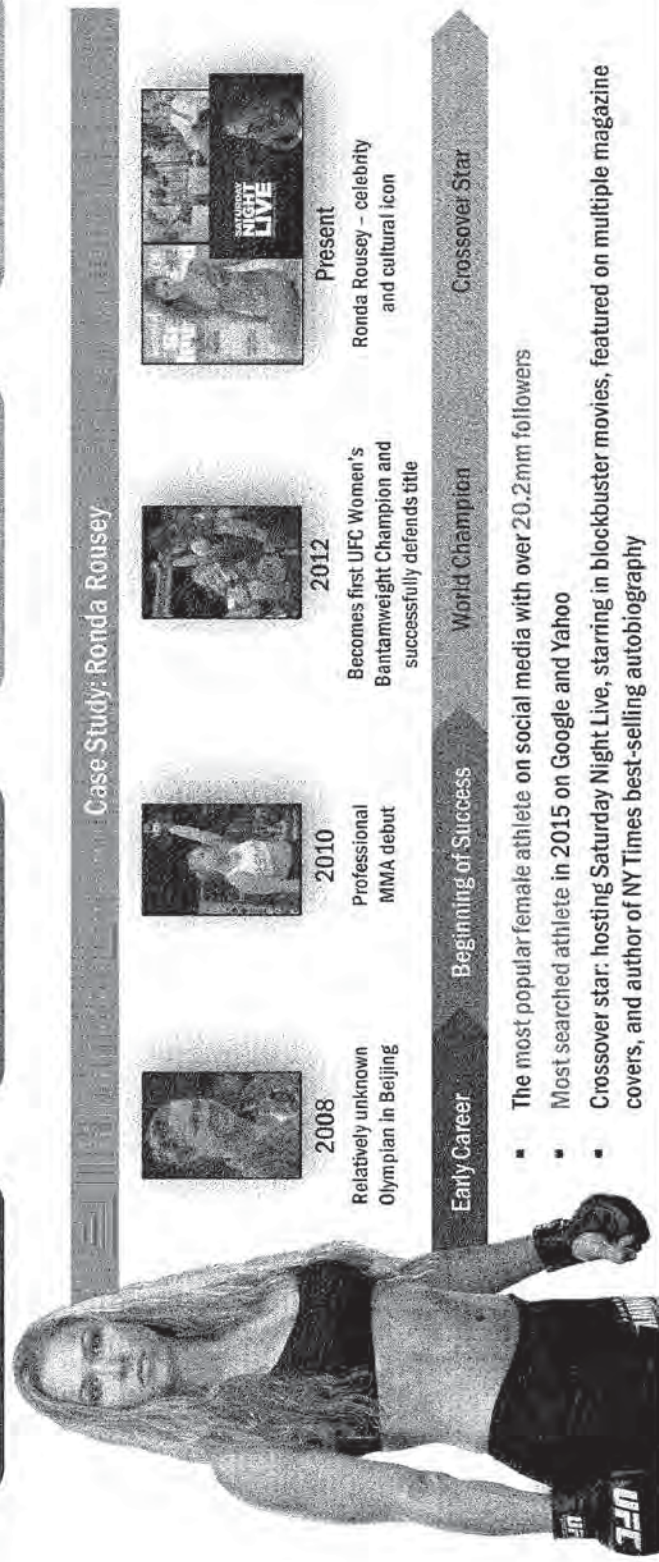
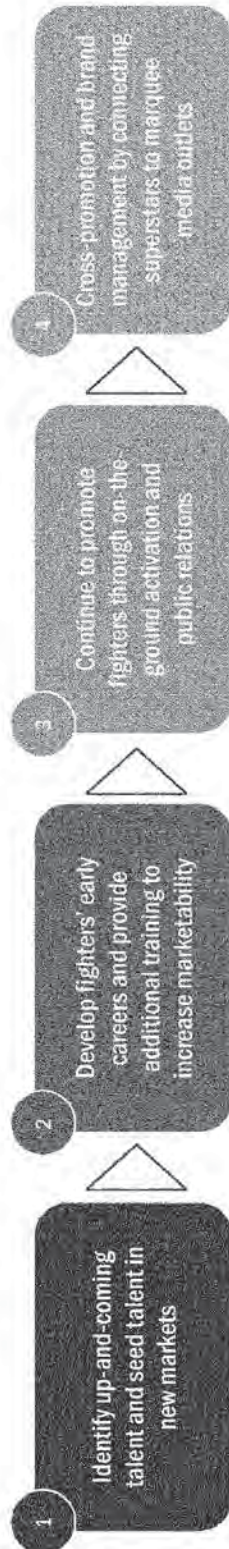
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## Ability to Create Superstars and Expand the UFC Brand

UFC platform provides athletes unparalleled exposure and promotion on a global basis, with the power to turn relatively unknown fighters into global superstars and household names that further the growth of the UFC brand



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# SECTION 3

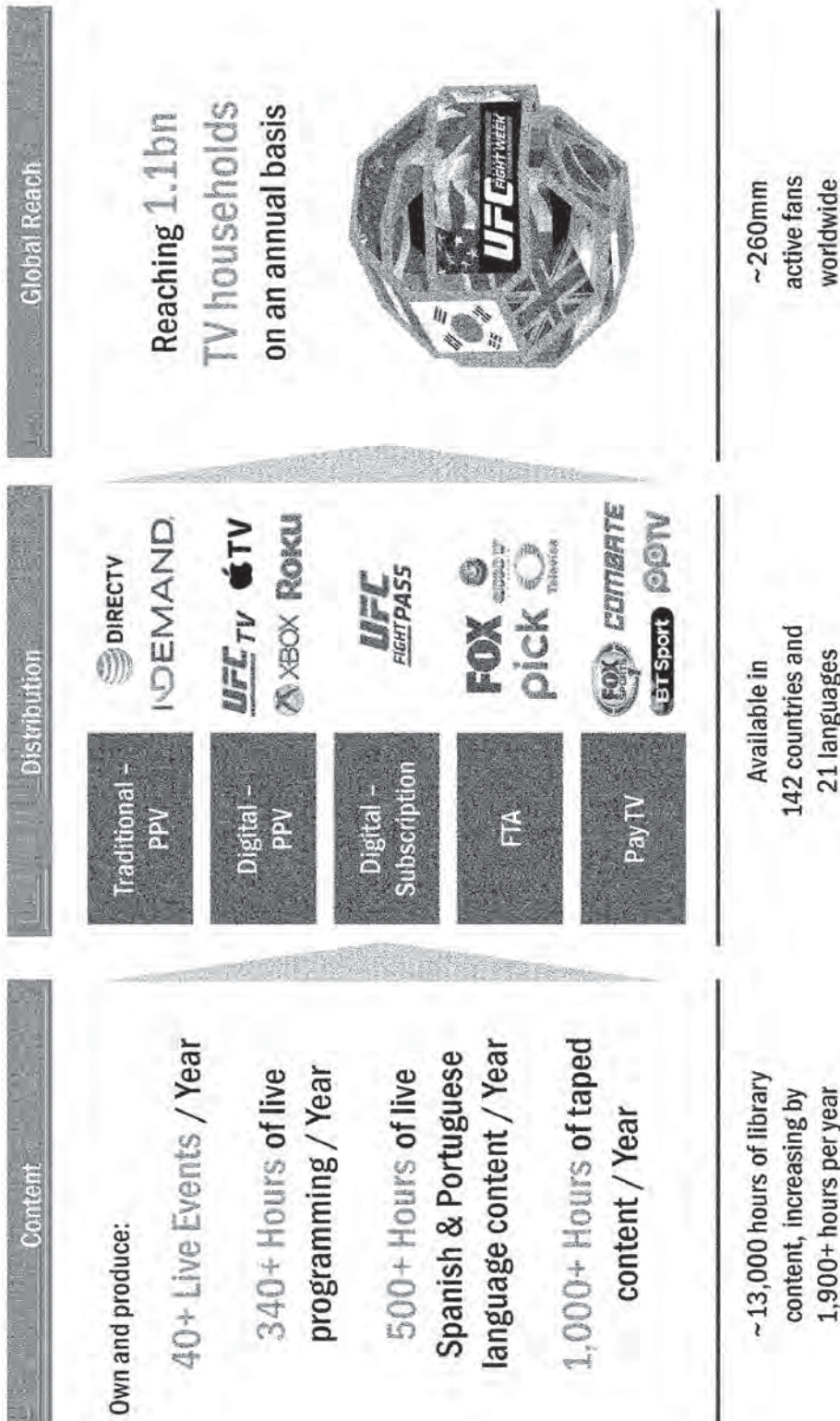
## Business Overview

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# Evergreen Premium Content Engine Powers the Business



Note: Live programming and taped content hours for 2015; Illustrative distribution partners.

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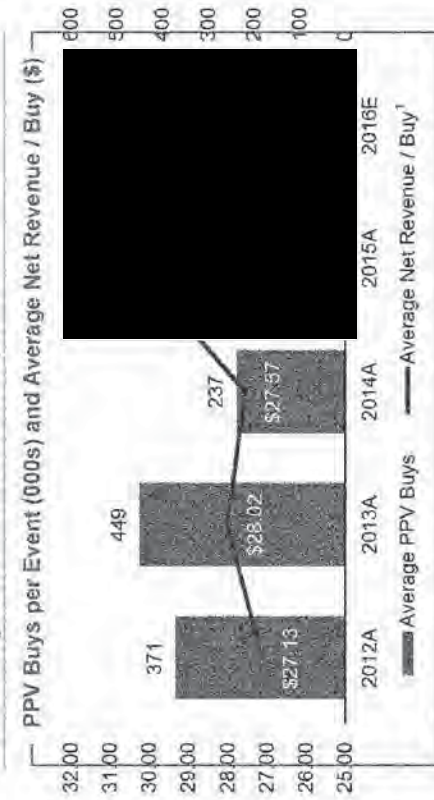
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## Largest Pay-Per-View Provider

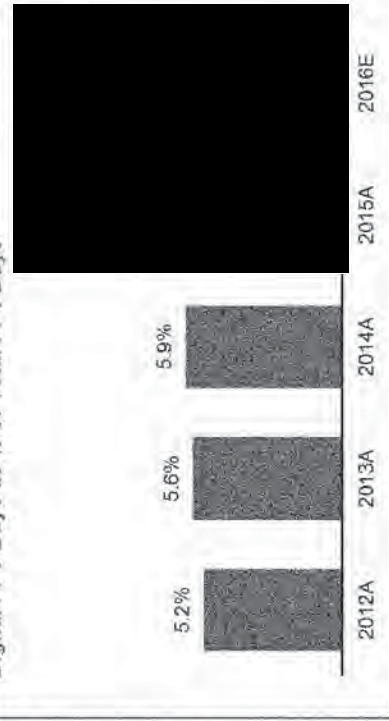
- UFC has been the largest PPV provider in the world since 2007 developing strong and collaborative relationships with all key distributors
- The PPV revenue model allows for unlimited upside on premium content ("peak the peaks")
- UFC is agnostic to consumption preferences as the PPV product is available on cable, satellite and digital platforms
- Successfully increased revenue share splits with the traditional providers in all recent renewals
- Transition to digital is accretive to UFC as splits on those platforms are significantly more attractive
- Anticipating traditional PPV provider splits migrate towards the digital rates (70 / 30)

### PPV Buys, Revenue and Splits



### Growing Share of Digital PPV

Digital PPV Buys as % of Total PPV Buys



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<sup>1</sup> Average net revenue / buy blended across cable & satellite PPV, UFC TV PPV, and other digital PPV.

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## UFC FIGHT PASS: Laying the Foundation for the Future



### Live Events

Over 120 exclusive live events



### TV Shows

UFC Unleashed, Best of PRIDE, and Dana White Looking for a Fight



### Originals

Exclusive original programs, special features, in-depth interviews and reports from events around the globe



### Fight Library

Access to the biggest events and best fights from world's most extensive MMA library

- UFC created UFC FIGHT PASS to be a digital combat sports vertical. It offers the richest library in combat sports, original programming, and exclusive live events
- UFC FIGHT PASS in 2016 will offer:
  - 6 exclusive UFC live events
  - 120+ live events from over 15 third-party organizations
  - 20k+ video assets available on-demand featuring more than 20 third-party fight libraries
- UFC FIGHT PASS has already surpassed 300k subscribers with minimal external marketing spend and limited oversight
- UFC FIGHT PASS' monthly subscription model has benefitted the organization in multiple ways:
  - Adds stable and recurring income stream
  - Allows UFC to collect customer-level data and establish a direct relationship with its fans
  - Introduces consumers to UFC's digital ecosystem, leading to higher margin PPV purchases through UFC.TV
- The combat sports library that UFC has accumulated is a valuable asset that will only appreciate with time. UFC can monetize this evergreen content through both OTT and traditional linear platforms



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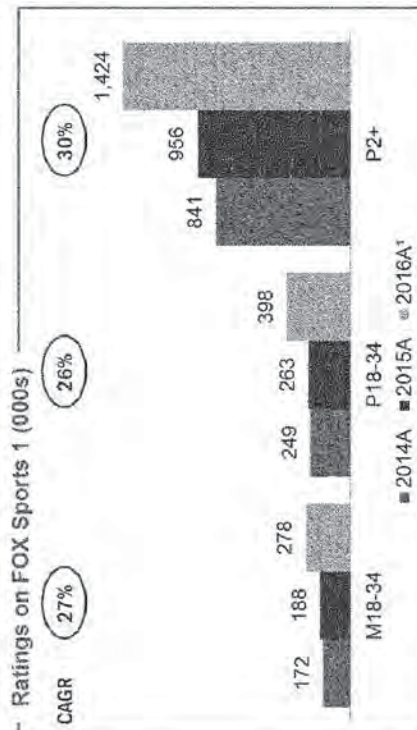
## Continued Growth in Ratings on the FOX Network Channels

- Strong record of attracting young audiences on broadcast and cable
- UFC's average viewership has increased consistently since FS1's launch in August 2013
- In 2015, UFC's live events unique audience on the FOX networks grew to 29mm, representing 7% YoY growth
  - Big surge in audience growth driven by increased engagement among female fans, accounting for 38% of UFC's unique audience
- UFC programming accounted for 28% and 27% of all primetime programming on FS1 and FS2
- UFC viewers represented 50% of the unique monthly viewers on FS1
- In 2015, 6 of the 9 Saturday Fight Nights outperformed ESPN for the time period

### Viewership Summary

	2015 Cable Sports Networks Primetime Average				
	Original	M18-34 (000)	P18-34 (000)	M18-49 (000)	P18-49 (000)
ESPN		356	504	743	1,046
UFC PRIME TIME ON FS1		63	89	144	199
NFL NETWORK		60	85	141	195
FOX SPORTS 1		50	71	111	158
ESPN2		44	63	100	139
FOX SPORTS 1 (Non-UFC)		41	60	91	133
NBC SPORTS NETWORK		41	58	89	133
UNIVISION DEPORTES		30	41	63	88
MLB NETWORK		15	21	39	62
NBA-TV		21	27	38	51
ESPNNEWS		17	22	35	45
FOX DEPORTES		12	17	26	35
ESPN3		10	14	24	34
GOLF CHANNEL		6	9	22	29
FOX SPORTS 2		7	8	13	17
BEIN SPORT		2	3	5	6

### UFC Fight Night Ratings Growth

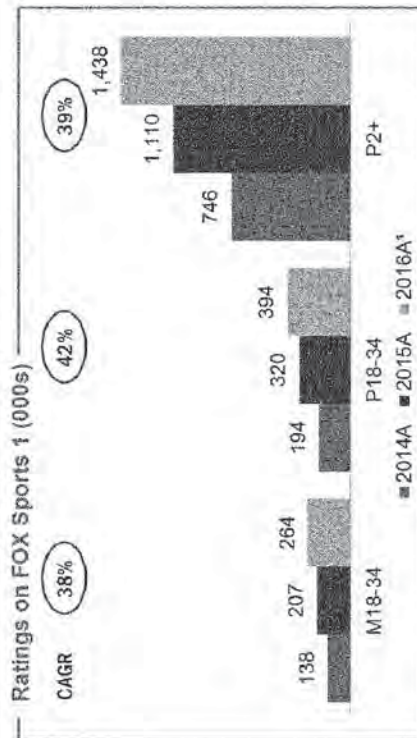


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### UFC PPV Prelims Ratings Growth



21



# UFC Well-Positioned in the US Media Rights Landscape

## Major Sports Leagues / Conferences Media Rights Contract Length

- UFC has the only significant national sports media rights up for renewal over the next five years
- The value of UFC's rights will be driven by competition for scarce available national sports properties amongst an increasing number of major sports media players

## Current Media Rights Deals Run-Off

[illegible]

Source: Wall Street Research, Sports Business Daily and other publicly available information.

Source: IHS Global Research, Sports Business Daily and other publicly available information.

<sup>2</sup> Only includes deals with ESPN, FOX, CBS and NBC signed in 2014. Excludes \$450mm (AAV) deal with CBS / NBC for Thursday Night Football signed in 2016.

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# Maximizing Value of Content with Multiple Packages

## UFC Content Overview

- UFC's live, taped and library programming is ideally suited to be packaged for multiple broadcast partners and its content is particularly unique in that replays continue to drive strong viewership

### Current Programming Grid

Programming	Description	Events / Episodes (2016)	Hours (2016)
Main card	Main fights broadcast on PPV, Fox, FS1 and Fight Pass	41	106
Prelims	Fox Prelims	35	73
	Fight Pass Prelims	6	25
Early Prelims	First 2-3 fights	32	37
Weight-ins	Shoulder programming: fighter weight-ins	41	41
Pre-Fight Show	Shoulder programming: pre-fight show	30	29
Post-Fight Show	Shoulder programming: post-fight show	35	35
Spanish / Portuguese Live Programming	Spanish & Portuguese language content	155	513
Cable (US)	Taped programming: The Ultimate Fighter, Ultimate Insider	212	411
Digital	Taped programming	2,417	253
International content	Taped programming: LATAM, Brazil, EMEA, Asia	1,253	386
Other	Taped programming: promos, sponsorship, sizzle, features	899	31
<b>Total</b>		<b>5,166</b>	<b>1,938</b>

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Source: Wall Street Research, Sports Business Journal and other publicly available information.  
 † Note: Twitter rights fee undisclosed.

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## Case Study – NFL US Media Rights

- The NFL has successfully packaged its content to maximize value and does not bear any game production costs

### US Media Segmentation by Package

Content Package	Partner	Content	Total Rights Fee	AAV
AFC	CBS	In-market Sunday afternoon games, one Thanksgiving game, Wild Card games, divisional playoff games & conference championship, 3 total superbowls (109 - 110 games)	\$9.0bn	\$1.0bn
NFC	FOX	In-market Sunday afternoon games, one Thanksgiving game, Wild Card games, divisional playoff games & conference championship, 3 total superbowls (109 - 110 games)	\$9.9bn	\$1.1bn
Sunday Night	NBC	All Sunday evening games, one Thanksgiving game, 3 total superbowls (17 - 18 games)	\$8.55bn	\$950mm
Thursday Night	CBS	10 total Thursday Night Games (all simulcast on NFL Network)	\$960mm	\$450mm
Thursday Night	NFL NETWORK	15 Thursday Night Games (10 simulcast on CBS, NBC and Twitter)	Undisclosed	Undisclosed
Monday Night	ESPN	All Monday Night Football Games (17 games)	\$15.2bn	\$1.5bn
Direct TV / NFL Sunday Ticket	DIRECTV	All out-of-market regular season broadcasts simulcast on local affiliates	\$12.0bn	\$1.5bn
NFL Mobile	verizon	All Games	\$1.0bn	\$250mm
NFL Redzone	NFL NETWORK	Gameplay footage from all Sunday afternoon games	Undisclosed	Undisclosed
Expanded Playoff Package	TBD	Extra Round of Playoffs	TBD	TBD
<b>Total</b>			<b>NM</b>	<b>\$7.2bn</b>



# Driving International Media Rights Value Through Local Events

## Roadmap for Developing New Markets

- 1 Enter a market through a broadly distributed television partner
  - Content distribution provides access to consumers, seeding the market and allowing UFC to build a fan base
  - UFC typically monetizes through Pay TV but will also have carve-outs for FTA partners who have broader distribution in order to reach a wider audience
- 2 Monitor engagement
  - UFC tracks engagement through metrics such as TV viewership and social media following - as interest builds, the fan base becomes more vocal, demanding more content and a local live event
  - During this time, UFC launches on the ground activations such as fighter tours, viewing parties, and fan experiences - local investment creates PR/ media buzz but also teases the fans for a future live event
- 3 Invest in developing talent from the region
  - Locally relevant talent plays a large factor in the speed of a market's development, to this end, UFC invests in talent through two primary vehicles, Fighter Development Programs and bespoke content such as international versions of The Ultimate Fighter and Road to UFC
- 4 Host a UFC event in the region timed around renewal of TV rights
  - Hosting a live event ensures mass media coverage and exemplifies the popularity of UFC brand
  - Strategy has successfully resulted in meaningful rights value increases in Sweden, Korea, and the Philippines in 2015

Investment in these international markets leads to revenue growth across Content, Events, Sponsorship, and Consumer Products

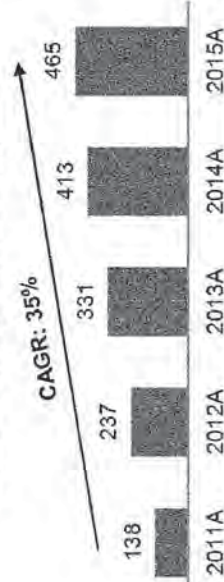
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## Case Study: Brazil

- 2002 UFC content begins airing on Combate Channel, a subscription network owned by Globosat, dedicated to combat sports
- 2011 UFC hosts UFC 134 in Rio de Janeiro, its debut event on Brazilian soil. The event is headlined by Anderson Silva and sells out in minutes
- 2012 TV Globo and UFC agree to landmark FTA deal that airs UFC live events and the first season of TUF Brazil. UFC extends its partnership with Combate Channel, which converts to a 50/50 revenue share in 2015
- 2013 UFC hosts several successful live events in multiple cities around the country and produces 2 more seasons of TUF Brazil.
- 2014
- 2015 Combate Channel, now UFC's second largest global partner, converts to a 50/50 revenue share providing unlimited financial upside as subscribers increase. UFC renews its FTA relationship with TV Globo for another 3 years which includes more robust marketing commitments and less live content
- 2016 UFC announces its first stadium event in Brazil, UFC 198 in Curitiba on May 14th, and sells out 42k tickets during the first day of public sale

Combate Average Subscribers (000s)





## Production Capabilities

- Only major sports organization with an in-house full service production division that produces live events for third-party networks
  - Shooting, editing, color correction, audio mixing, studio show execution, promotional asset creation, captioning, graphics department, live event execution etc.
- Strategic focus on differentiating UFC events through high production value appealing to existing and new fans
- Digital production division supplies content for online and social outlets
- Full live / taped Spanish and Portuguese language production capabilities including studio live to tape execution and live event simulcasts
- Robust on-air talent team of over 15 hosts and analysts
- Global capabilities to execute live and taped productions in key international markets
- Music library monetization
- Content storage infrastructure allowing global access in real time
- Ability to develop new technology (content delivery, camera rigs, audio capture / submix)

Annual Content Output		
	Asset	Hours
Live	220	345
Live Spanish / Portuguese	155	513
Taped US	1,111	441
Taped Regional	1,253	386
Digital	2,417	253
Total	5,156	1,938

Zuffa Library		
		Hours
UFC		11,858
UFC Owned Organizations		678
3 <sup>rd</sup> Party Organizations		425+
Total		12,960

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## Event Scheduling and Operations

- UFC has complete control and flexibility over the event calendar which allows for changes to be made over the course of the year
- UFC targets 40-45 events annually based on current strategy with 13-16 being held internationally and the balance in the US and Canada
- PPV: 13 dates are typically set first, with at least 3-4 weeks between PPV events to allow for proper marketing lead time
- FOX and FS1: Once the PPV dates are secured, UFC works with its broadcaster to schedule its 22 FOX and FS1 contracted events. UFC tries to schedule its FOX fights the weekend before a PPV for promotional purposes
- UFC FIGHT PASS: UFC fills in remaining open dates with its UFC FIGHT PASS Fight Night events. Most of these Fight Nights are held internationally and will air in primetime locally (EMEA and Asia)
- Event dates are set taking into account the competitive environment of all other major sporting and entertainment events

### Calendar

- UFC confirms availability in multiple cities for almost every date to ensure location flexibility as fighter matchups and market preferences evolve throughout the year
- PPV: UFC will hold its mega events in Las Vegas and NYC, with the remaining PPVs being held in other major US markets. UFC will typically hold one PPV event each in Brazil and Canada, its two largest markets outside of the US
- FOX and FS1: UFC treats FOX events similar to PPV and generally hosts these events in major US and Canadian markets. FOX Sports 1 events will typically take place in smaller US cities. In recent years, UFC has also used FS1 Fight Nights events to expand internationally with the majority of Brazil and Australia events taking place on this platform
- UFC FIGHT PASS: Venue availability can be challenging in major international cities, so UFC often secures both dates and venues for PP events in Europe and Asia well in advance. The international calendar is typically fixed by Q1 of a given year

### Venue

- Matchmaking and venue selection work in tandem and one often influences the decision process surrounding the other
  - For example, if UFC knows that it has an upcoming event scheduled in a particular country or city, it will try securing a main event featuring a fighter from that region
  - In other cases, the organization has a desired matchup and will then select the most suitable location for that particular main event out of the options available at the time

### Fights

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26

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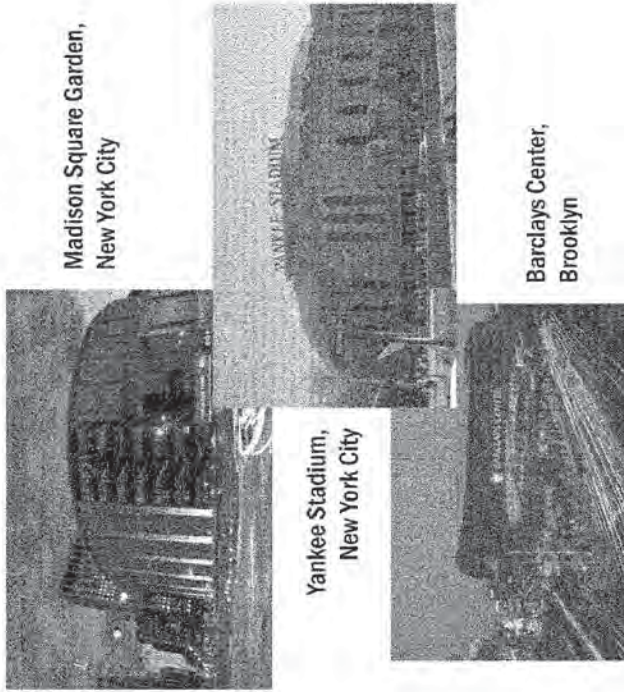
# The New York Effect – Impact of Legalization

## Benefits

Legalization of MMA in New York introduces new growth opportunities, including:

- 1 Brand Expansion
  - NYC offers an unparalleled opportunity for branding and publicity to expand UFC's reach in the US and globally
- 2 Creation of Unprecedented Events
  - Potential to host events at iconic, marquee venues, such as Madison Square Garden, Barclays Center, and Yankee Stadium
  - Events will drive annual live event revenues given higher ticket prices and larger venues
- 3 Sponsorship
  - Increased number of potential blue-chip sponsors with the legalization of UFC in all 50 states in the US
  - NYC is home to 55 Fortune 500 companies and is the epicenter for ad agencies

## #1 Media Market in the World



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## Athletes: Development

### Athlete Development

- Easy-to-Understand Weight Classes: Fewer weight classes creates more meaningful championship titles as compared to boxing. Structure allows UFC to put on the fights fans want to see
- Fighter Development Program: UFC seeks up-and-coming talent in international markets and provides training and housing to develop potential UFC fighters
- Fighter Recruiting: Global knowledge of fighter camps and on-the-ground scouts help to identify UFC-ready talent
- Roster Management: UFC actively manages its roster to retain its talent

### Notable Fighters by Weight Class

Men		
Heavyweight	Champion: Fabricio Werdum Cain Velasquez, Stipe Miocic, Alistair Overeem	36 Fighters
Light Heavyweight	Champion: Daniel Cormier Jon Jones, Anthony Johnson, Alexander Gustafsson	34 Fighters
Middleweight	Champion: Luke Rockhold Chris Weidman, Jacare Souza, Vitor Belfort	49 Fighters
Welterweight	Champion: Robbie Lawler Stephen Thompson, Tyrone Woodley, Demian Maia	97 Fighters
Lightweight	Champion: Rafael Dos Anjos Khabib Nurmagomedov, Anthony Pettis, Nate Diaz	92 Fighters
Featherweight	Champion: Conor McGregor Jose Aldo, Frankie Edgar, Chad Mendes	68 Fighters
Bantamweight	Champion: Dominick Cruz TJ Dillashaw, Urijah Faber, Thomas Almeida	56 Fighters
Flyweight	Champion: Demetrious Johnson Joseph Benavidez, Henry Cejudo, John Dodson	29 Fighters
Bantamweight	Champion: Miesha Tate Holly Holm, Ronda Rousey, Amanda Nunes	25 Fighters
Strawweight	Champion: Joanna Jedrzejczyk Claudia Gadelha, Rose Namajunas, Paige VanZant	31 Fighters
Women		

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## Athletes: Global Relevance

With ~50% of its roster comprised of international athletes, UFC is more diverse than any other global sports league



Athlete Background



Olympic Medalists



Champions



World Champions

Other

Kickboxing, Boxing,  
Wrestling, Judo World &  
National Champions

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## Athletes: Investing for the Long-Term

### Health and Safety



- Athlete health is UFC's top priority and the organization has the most robust drug testing program in professional sports administered by the US Anti-Doping Agency ("USADA")
- Hired Jeff Novitzky in 2015 to be UFC's new Vice President of Athlete Health and Performance (formerly served at the US FDA leading its anti-doping efforts)
- Weight classes help to ensure evenly matched set of competitors
- Rules for stoppages are in place to ensure that fighters don't suffer unnecessary injury - referees are trained to treat fighter safety as the top priority

### Athlete Health and Performance

- Opening in May 2017, the 30,000-square-foot Athlete Health and Performance Center ("AHPC") will help UFC fighters train, rehabilitate injuries and gain knowledge about their bodies
- AHPC will include training and exercise equipment, a physiotherapy and rehabilitation, consultation and treatment rooms, nutrition and weight management programs, and performance diagnostics



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## Opportunity for High-Impact Synergies

### Synergy

### Commentary

- | Synergy                       | Commentary   |
|-------------------------------|--|
| Content Creation              | <ul style="list-style-type: none"> <li>▪ UFC has a full-service production division that produces content for traditional and digital platforms</li> <li>▪ Opportunity for efficiencies in content creation (both live and taped) with Disney's global production infrastructure</li> </ul>                    |
| Turbocharge Pay Platforms     | <ul style="list-style-type: none"> <li>▪ UFC has a robust PPV offering across multiple platforms and its digital subscription service</li> <li>▪ Leverage owned media platforms and assets to increase awareness and accelerate high margin PPV buys and UFC FIGHT PASS subscriptions</li> </ul>               |
| Sponsorship Integration       | <ul style="list-style-type: none"> <li>▪ UFC's sponsorship portfolio is set to grow given recent rebranding efforts and the expansion of the sport globally</li> <li>▪ Unparalleled integration capabilities and access to "on-field and on-athlete" assets</li> </ul>   |
| Brand Expansion and Marketing | <ul style="list-style-type: none"> <li>▪ UFC has recently invested marketing dollars into its brand, helping to expand the organization's popularity globally</li> <li>▪ Disney's global reach and breadth of distribution channels can further UFC brand and help the sport reach new demographics</li> </ul> |



31

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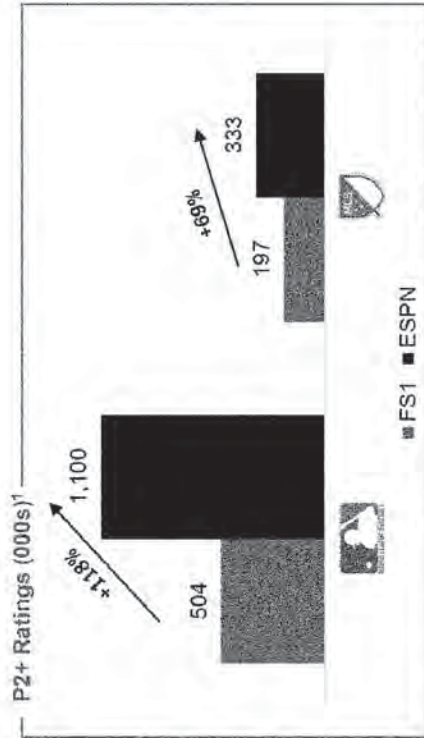
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## Disney / ESPN Crossover Opportunity

- UFC represents a unique opportunity for ESPN to own premium content in perpetuity and ESPN can provide a near-term catalyst for growth
  - Shifting content to ESPN from other networks can immediately boost ratings as demonstrated by the MLB and MLS
  - Despite similar demographics of UFC fans and ESPN viewers, there is a significant portion of fans/viewers that do not overlap, providing an opportunity to boost viewership on both ESPN and UFC content
- UFC fans are the leading index among ESPN advertisers across multiple categories; overlap of audience creates opportunity to boost advertising revenues across both UFC and ESPN platforms

### Ratings Uplift on ESPN vs. FS1



### UFC Audience Fit with Current ESPN Advertisers

Select Categories/Brands Where UFC Fans are Leading Index<sup>3</sup>

QSR	TACO BELL	SUBWAY	Retail	W
Auto Insurance	GEICO	PROGRESSIVE	Sit-Down Restaurants	Applebee's
Auto	SPENCER	530	Miscellaneous	Fantasy Gaming
				Video Gaming

### UFC as a Catalyst for ESPN Viewership

UFC Fans Watching / Not Watching ESPN in 7-Day Period<sup>2</sup>



Source: Scarborough, Nielsen, SNL Kagan and publicly available information.

<sup>1</sup> Based on MLB and MLS regular season games in 2015.

<sup>2</sup> Based on adults 18+; "fan" = any interest.

<sup>3</sup> Leading index refers to first or second highest index among UFC, NFL, MLB, NBA, NHL, NASCAR, MLS, PGA, ATP/WTA, NCAA.

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## Expanding Beyond Zuffa

International Expansion	<ul style="list-style-type: none"> <li>▪ Scale the number of prime time international events to satisfy pent-up demand                             <ul style="list-style-type: none"> <li>– Higher velocity of interaction by local fans with the brand</li> <li>– Valuable content that can be monetized globally</li> <li>– Increased sponsorship assets</li> <li>– Platform to cultivate geographically relevant talent</li> <li>– Improved market specific media coverage</li> </ul> </li> <li>▪ Use UFC content as a catalyst to grow owned international channels</li> </ul>
Scheduling Flexibility	<ul style="list-style-type: none"> <li>▪ Flexibility in scheduling and programming to best optimize for your offering versus being driven by third party leagues (e.g. College football championship)</li> </ul>
UFC FIGHT PASS as a Pillar to Build Leading OTT Vertical	<ul style="list-style-type: none"> <li>▪ Full ownership of all UFC content allows for the creation of a global digital sports distribution vertical</li> </ul>
Accelerating Investment in Athlete Training & Development	<ul style="list-style-type: none"> <li>▪ Build health and performance center in other key markets (e.g. Brazil, Europe)</li> <li>▪ Develop an academies program to develop amateur and youth talent (e.g., China)</li> </ul>



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# SECTION 4

## Operations Overview

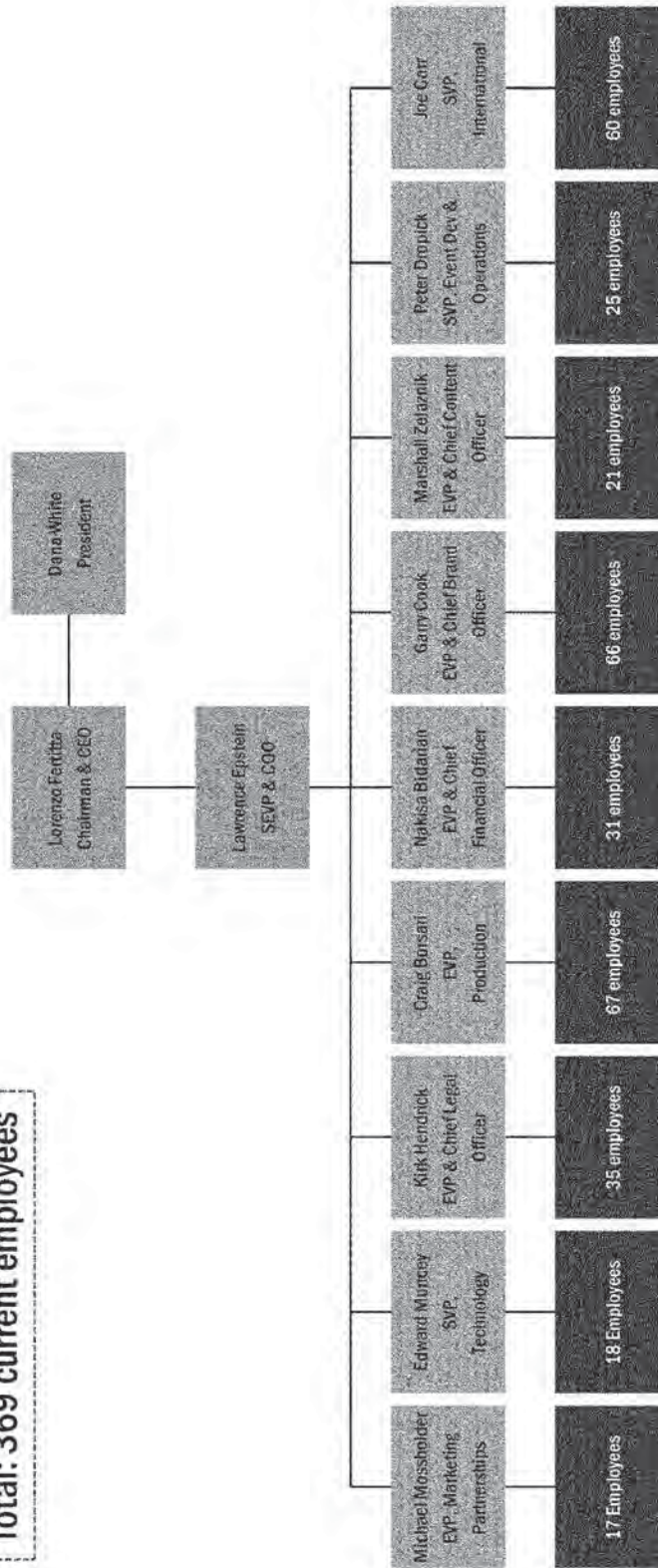
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# Organizational Structure

Total: 369 current employees



Executive Support: 17 employees

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## UFC Operating Model

Support Services	Demand Creation	Consumer Offerings / Consumption
Accounting / Finance	Athlete Development	Content
Athlete Compliance & Regulatory	Corporate Communications	PPV Linear Digital Fight Pass
Athlete Health & Performance	Creative Services	Event Development
Business Strategy	Digital Media	Tickets VIP Experience
Government / Regulatory	Fan Experience	Marketing Partnerships / Sponsorships
HR	Marketing	Agency Int'l Digital Activation
IT	Content Event Social	Consumer Products
Legal	Public Relations	Licensing Event Merch
Security / Facilities	Talent Relations	E-commerce Outfitting
Tax	Production & Operations	
	Production & Programming	
	Live Event Production Originals Digital	
	Event Operations	

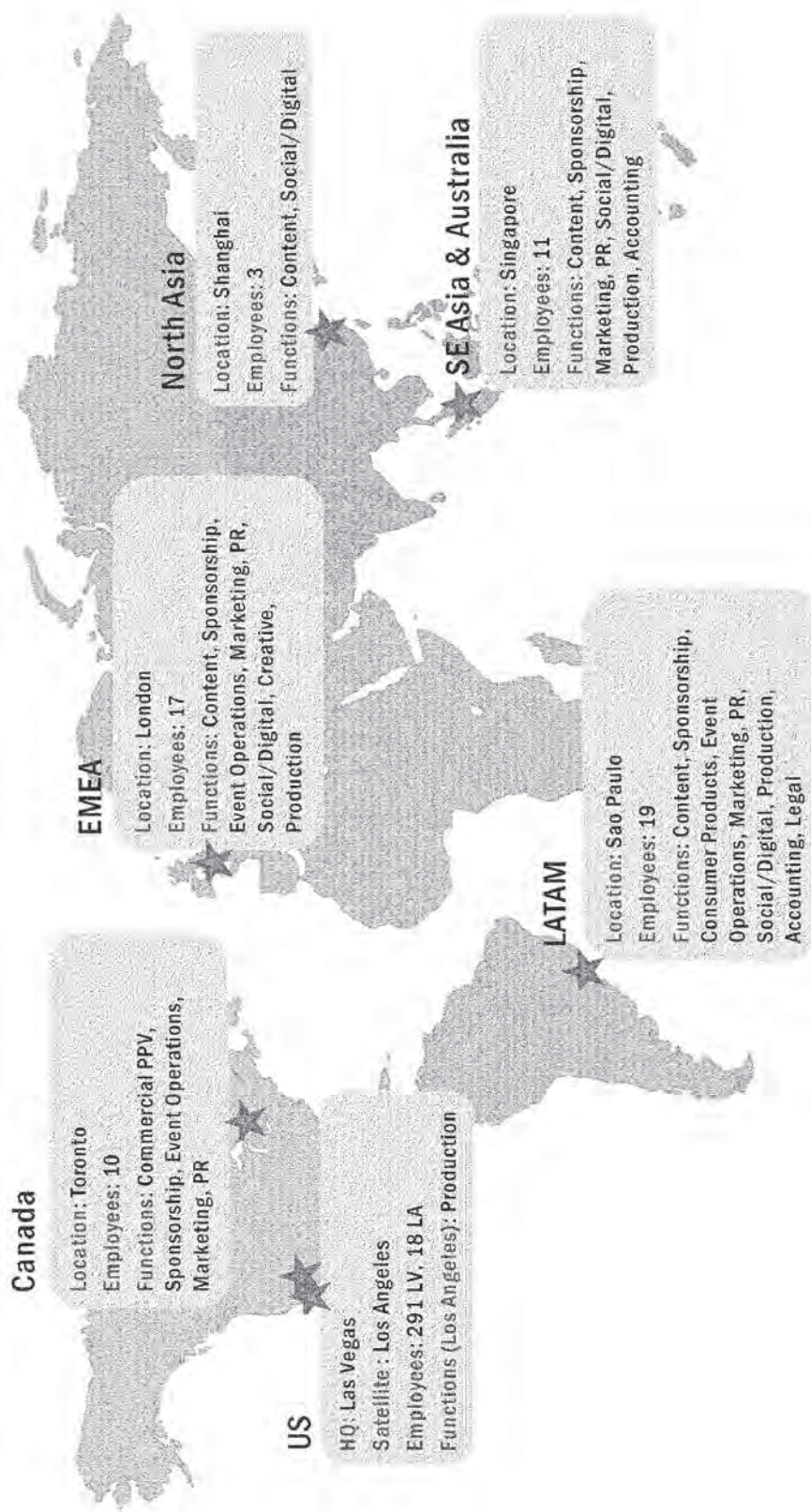
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## Global Infrastructure



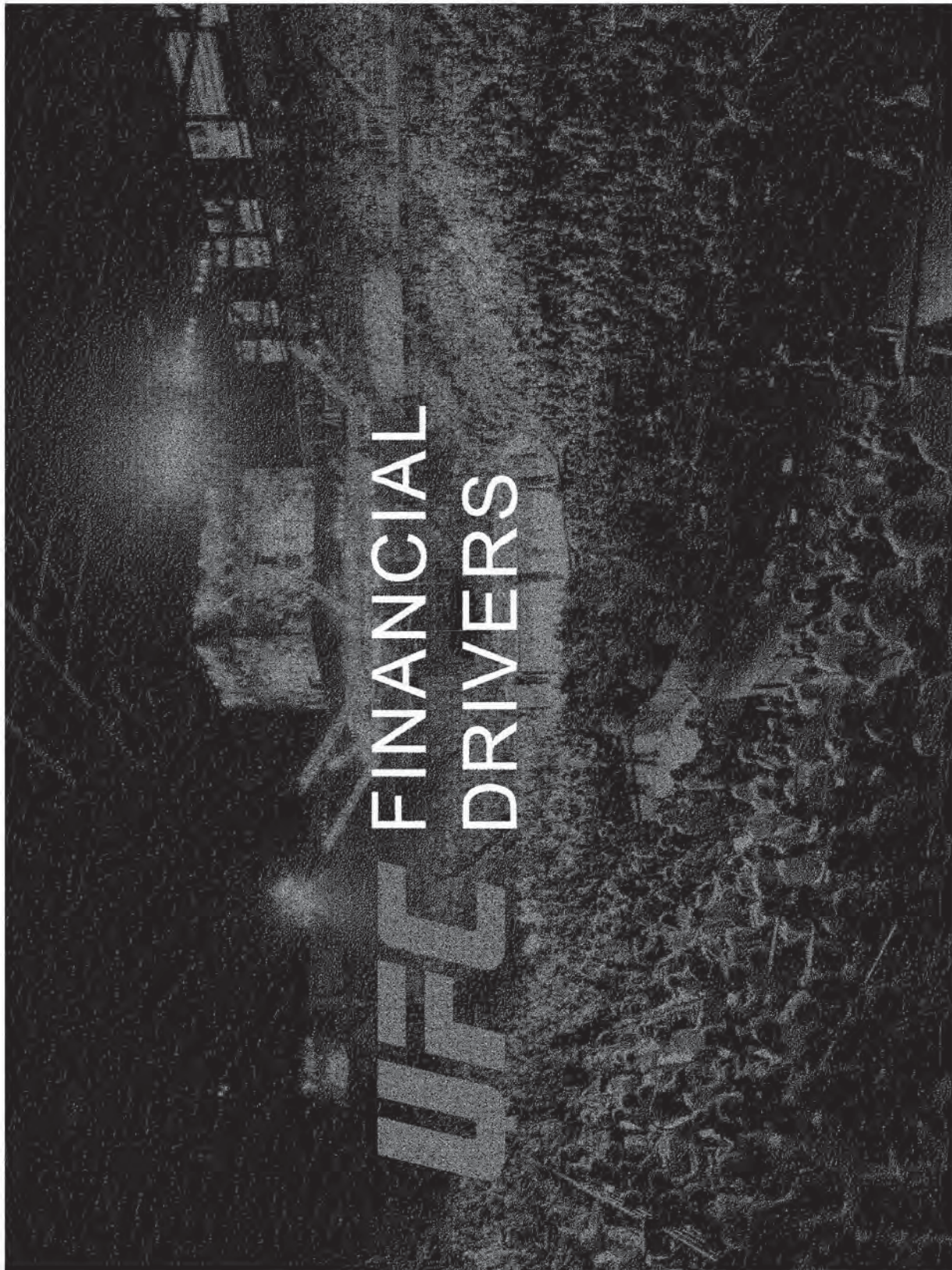
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## The Next Five Years

Segment	Key Drivers and Plan	Revenue Projections																				
Revenue by Business Segment (\$ in mm)																						
Content	<ul style="list-style-type: none"><li>2019 optimization of US / Canada distribution strategy</li><li>Enhance PPV economics by:<ul style="list-style-type: none"><li>Driving higher-margin digital PPV</li><li>Negotiating higher revenue splits upon contract expirations</li></ul></li><li>Growth of UFC FIGHT PASS digital OTT subscription service</li><li>Growth in undersold international media rights and transition from output deals to packaged rights sales</li></ul>	<p>CAGR 12.1%: 2012A-2015A</p> <table><tr><th>Year</th><th>Revenue (\$ in mm)</th></tr><tr><td>2012A</td><td>344</td></tr><tr><td>2013A</td><td>378</td></tr><tr><td>2014A</td><td>378</td></tr><tr><td>2015A</td><td>450</td></tr><tr><td>2016A</td><td>450</td></tr><tr><td>2017E</td><td>450</td></tr><tr><td>2018E</td><td>450</td></tr><tr><td>2019E</td><td>450</td></tr><tr><td>2020E</td><td>450</td></tr></table>	Year	Revenue (\$ in mm)	2012A	344	2013A	378	2014A	378	2015A	450	2016A	450	2017E	450	2018E	450	2019E	450	2020E	450
	Year	Revenue (\$ in mm)																				
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2014A	378																					
2015A	450																					
2016A	450																					
2017E	450																					
2018E	450																					
2019E	450																					
2020E	450																					
Events	<ul style="list-style-type: none"><li>Capitalizing on investment in UFC brand, new premium venues, new ticket-selling technologies, and sanctioning of NY market</li></ul>	<table><tr><th>Year</th><th>Revenue (\$ in mm)</th></tr><tr><td>2012A</td><td>306</td></tr><tr><td>2013A</td><td>306</td></tr><tr><td>2014A</td><td>306</td></tr><tr><td>2015A</td><td>306</td></tr><tr><td>2016A</td><td>306</td></tr><tr><td>2017E</td><td>306</td></tr><tr><td>2018E</td><td>306</td></tr><tr><td>2019E</td><td>306</td></tr><tr><td>2020E</td><td>306</td></tr></table>	Year	Revenue (\$ in mm)	2012A	306	2013A	306	2014A	306	2015A	306	2016A	306	2017E	306	2018E	306	2019E	306	2020E	306
Year	Revenue (\$ in mm)																					
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2013A	306																					
2014A	306																					
2015A	306																					
2016A	306																					
2017E	306																					
2018E	306																					
2019E	306																					
2020E	306																					
Sponsorship	<ul style="list-style-type: none"><li>Expanding into open categories and improving sell-through of inventory</li></ul>	<table><tr><th>Year</th><th>Revenue (\$ in mm)</th></tr><tr><td>2012A</td><td>325</td></tr><tr><td>2013A</td><td>325</td></tr><tr><td>2014A</td><td>325</td></tr><tr><td>2015A</td><td>325</td></tr><tr><td>2016A</td><td>325</td></tr><tr><td>2017E</td><td>325</td></tr><tr><td>2018E</td><td>325</td></tr><tr><td>2019E</td><td>325</td></tr><tr><td>2020E</td><td>325</td></tr></table>	Year	Revenue (\$ in mm)	2012A	325	2013A	325	2014A	325	2015A	325	2016A	325	2017E	325	2018E	325	2019E	325	2020E	325
Year	Revenue (\$ in mm)																					
2012A	325																					
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2015A	325																					
2016A	325																					
2017E	325																					
2018E	325																					
2019E	325																					
2020E	325																					
Consumer Products	<ul style="list-style-type: none"><li>Contractual growth of revenues from key partners, EA Sports and Reebok</li></ul>	<table><tr><th>Year</th><th>Revenue (\$ in mm)</th></tr><tr><td>2012A</td><td>56</td></tr><tr><td>2013A</td><td>56</td></tr><tr><td>2014A</td><td>56</td></tr><tr><td>2015A</td><td>56</td></tr><tr><td>2016A</td><td>56</td></tr><tr><td>2017E</td><td>56</td></tr><tr><td>2018E</td><td>56</td></tr><tr><td>2019E</td><td>56</td></tr><tr><td>2020E</td><td>56</td></tr></table>	Year	Revenue (\$ in mm)	2012A	56	2013A	56	2014A	56	2015A	56	2016A	56	2017E	56	2018E	56	2019E	56	2020E	56
Year	Revenue (\$ in mm)																					
2012A	56																					
2013A	56																					
2014A	56																					
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2016A	56																					
2017E	56																					
2018E	56																					
2019E	56																					
2020E	56																					
Expenses	<ul style="list-style-type: none"><li>Stable cost structure driving significant margin expansion</li></ul>	<table><tr><th>Year</th><th>Revenue (\$ in mm)</th></tr><tr><td>2012A</td><td>26%</td></tr><tr><td>2013A</td><td>33%</td></tr><tr><td>2014A</td><td>33%</td></tr><tr><td>2015A</td><td>33%</td></tr><tr><td>2016A</td><td>33%</td></tr><tr><td>2017E</td><td>33%</td></tr><tr><td>2018E</td><td>33%</td></tr><tr><td>2019E</td><td>33%</td></tr><tr><td>2020E</td><td>33%</td></tr></table>	Year	Revenue (\$ in mm)	2012A	26%	2013A	33%	2014A	33%	2015A	33%	2016A	33%	2017E	33%	2018E	33%	2019E	33%	2020E	33%
Year	Revenue (\$ in mm)																					
2012A	26%																					
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# SECTION 1

## Content

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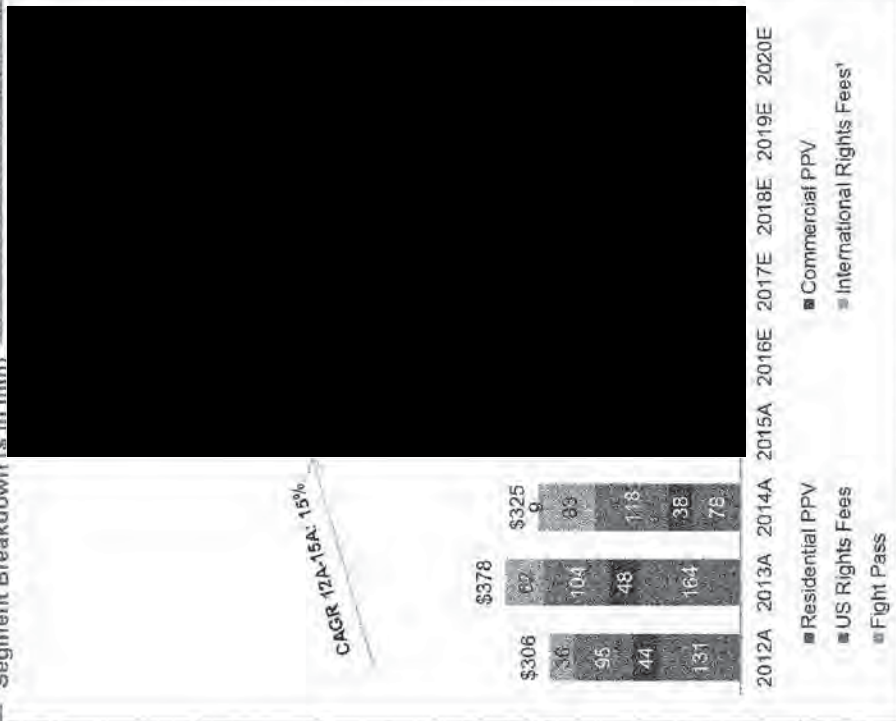
# Content Revenue Overview

## Revenue Drivers

- UFC monetizes its content through multiple distribution channels:
  - traditional and digital Pay-Per-View ("PPV"), media rights licensing (both domestic and international), and UFC's subscription, direct-to-consumer OTT service UFC FIGHT PASS
- Each distribution channel provides distinct advantages and maximizes the value of UFC content
  - Media rights licensing to linear TV, such as FOX, captures a broad mainstream audience and builds a loyal fan base
    - These platforms create stars and serve as a promotional channel driving audience to other content platforms
  - PPV capitalizes on consumer demand for premium events and generates significant revenue upside
  - The transactional nature of PPV has conditioned UFC fans to pay for UFC content, contributing to the rapid growth of UFC FIGHT PASS
- Importantly, UFC owns all of its content, including all prior fights, TV programs and newly produced content
  - Allows significant flexibility with distributing, marketing and monetizing content
  - Control of production ensures broadcast quality and consistency
  - UFC competes with other major sports by offering a more personal experience, building excitement for every event by drawing them into athletes' lives and rivalries

## Content Revenue

Segment Breakdown (\$ in mm)



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<sup>1</sup> International includes other revenue of \$4.0mm in 2012, \$2.4mm in 2013, \$1.6mm in 2014, \$0.6mm in 2015, and \$0.2mm thereafter.

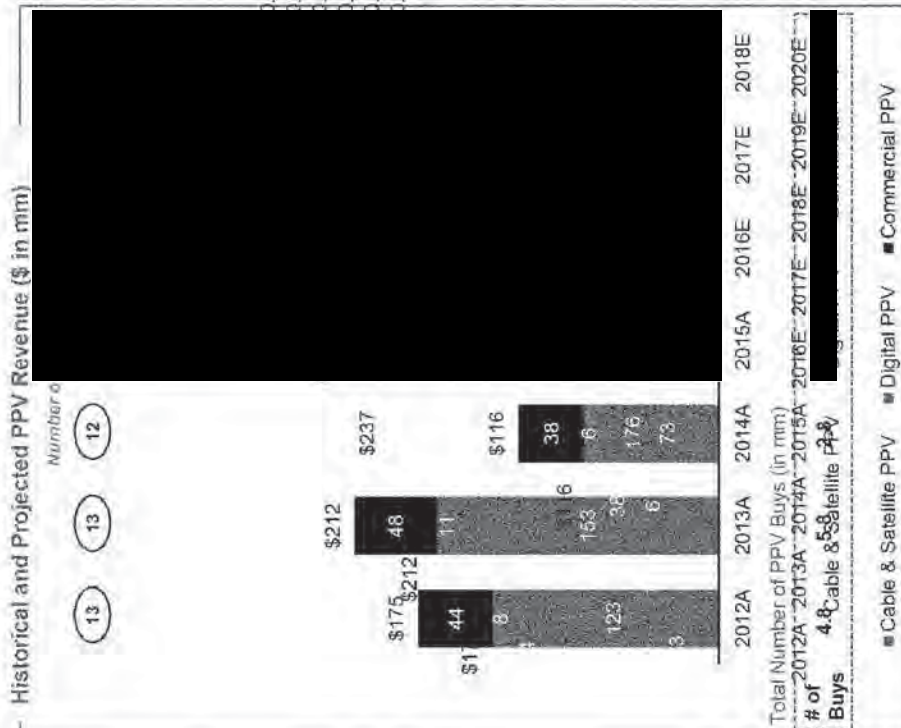
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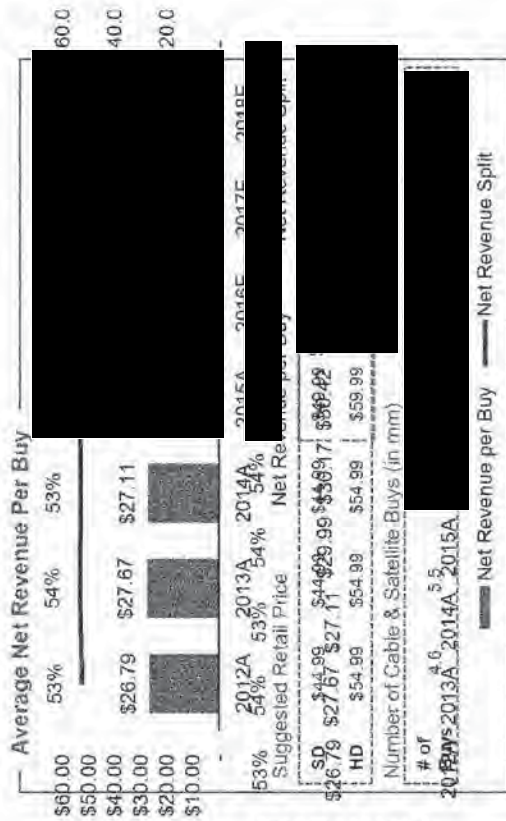


# Content Driver: Pay Per View

## Total PPV Revenue



## Cable & Satellite PPV



- Historical PPV SRP increases have shown the strong demand for our content, even during economic downturn
- Flexibility of distribution (OTT, digital PPV, linear TV) provides leverage in contract renewals with PPV providers to drive more favorable revenue splits
- Earned media coverage of UFC events on global platforms greatly increases promotion of events at no cost, leading to increased number of buys
  - UFC 196 generated 1.3mm+ PPV buys, the most in UFC history

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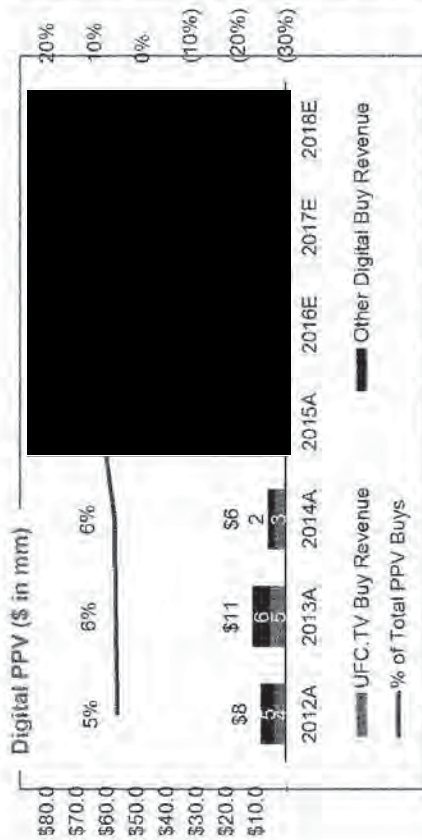
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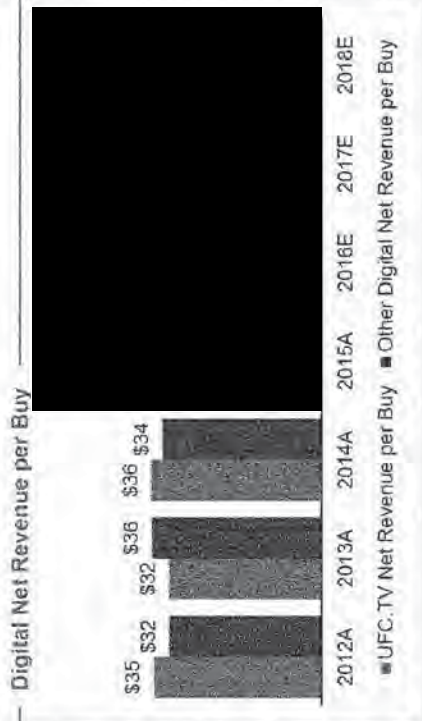


# Content Driver: Digital Pay Per View

## PPV Digital Revenue



## Digital Pricing



- UFC's premium PPV product is **DYLODEH IRUGU WDCSXURKDH RQ B** & **79 DQG B** & **DSSOFDNRN DFRVVD Z LGH UDQ H RI GHYFPA SURYGLQ VHYHDEHQHUV W B** &
  - UYH/DGQWRQDQHYHQH DV B** & **UHMVQV D J UHMAUSURSRUWQ RI HDK Exy (-85 RQ B) & 79 -70 RQ 3<sup>rd</sup> SDUW 277 SDUWIP V**
  - XJHDWV OHVLDJ HZ KFO QH RMDQJ 339 GUWEXVRQ DJ UHP HXW Z UK MDGWRQDQSRUYGHV**
  - SOMQDQVH GUWEXVRQ SRQWRUB** & **V J OEDQDQGHQFH WDVGRHV QRWQD H DFFHW VR MDGWRQDQDQ DQ DQ VDMQW 339 SURYGHV**
  - Ability to capture purchasers' information and build a CRM database
- GREDOKIWR 277 FRQXP SWRQ DQJ URZ VR RI 277 SDUWIP V (BP DUWV, SSSO, SRW, HW) Z UDGUWH QFUDWHG SURSRUWQ RI GU UHDEXV**
- 8** & **79 2016** **SUPH QFUDWHG GUHQ EY UDQVQ IQMDQWRQDQ DUNW VR EH QDQHZ UK 86 SUPHQ (FRQJ H IP SUP HQNG IQ QW 2015 Z UK P IQP DQ SDUW QXP EHUR EYV)**
- 3UHQ IRUERW GU WDCSXURIP V IRQZ MDGWRQDQDQ 339 P RGHQZ UK SDQDQHG \$5 IQFUDWH Q 2018**

## Growth of OTT<sup>1</sup>

US Subscriptions by Household (mm)

99.0 100.9 100.8 99.3 98.0

23.0 28.0 33.0 38.0 43.0

2010A 2011A 2012A 2013A 2014E 2015E 2016E 2017E 2018E

Pay TV Households Digital Subscription (OTT) Households

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<sup>1</sup> Leichtman Research Group, U.S. Census Bureau.

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## Content Driver: Commercial Pay Per View

- 8RP P HFID0339 J HQHDMV UMHQXHQ 8.6., &DQDGD, \$XWMD0 DQ5 NHZ ZHD0DQ5 VIP UDQ5 VR WKH UMHQXHQD0339 EXVQHW
- 0 DWRUW RI FAXWRP HU IQ WKH 8.6., \$XWMD0 DQ5 NHZ ZHD0DQ5 SXUFKDMH RQ DQ HYHQWR HYHQWEDMV
- 0 DWRUW RI FAXWRP HU IQ &DQDGD DQ5 3XHUW 5UFR SXUFKDMH 4- 6 HYHQWEX QG0W
- 8) &XVW VDMW DU HQW IQ HQFK UH URQ VR GHMUP IQH UDMV, SDFNDJ HV DQ5 QHI RMDWV GH0V Z UK ERK IQGHS HQGHQWMD0WKP HQW DQ5 FKDQDFRFXQW
- 3UFTQ IU VHWGHDMW VR WKH FRP SHAMW VSRUW P DUNHWQIUROP HQW DQ5 IU GHMUP IQHG DV SUFH SHURFRXSQWEDVHG RQ WKH) UH &RGH 2 FFXSDQFy
- 8RP P HFID0339 0FDMRQ J URZ WK UKURPJ K SDUHQHUKUSV Z UK XQGHSHQMDWNG QDMRQZ IGH FKDQV (7G.) UGDYV, \$SS0EHM, HWT.)
- 8XUHQW WMMQ IQ ~20 0FDMRQV RI 7G.) UGDYV (~1,000 UHMXUDQW)
- 0 DUNMQ SURU DDP Z UK ' UHF79 VR GUYH IXUKHURP P HFID0RDMRQ J URZ WK
- 3RMD0MR KUWFRP P HFID0339 VR 8) & GU UG0S0MRUP V GUYQI P DU IQ
  - 8) & Z UDEH DEOH VR RIUHKH FRQWQWR EDU / UHMXUDQW Z UKRXWDMQI VR SDY DVHYEH IHH, IQFUDMQI DQXKDQWUHQXH VR 8) & Ey ~\$11.8P P<sup>1</sup>
- SYHDI H SUFIQ KDV EHQ QHFWG Ey Z HONHQI RI WKH &DQDGDQDQ5 \$XWMD0DQ5 GR0DQ WKH 0WVHZ yH0V

### Key Chain Accounts

	
900 Locations	275 Locations

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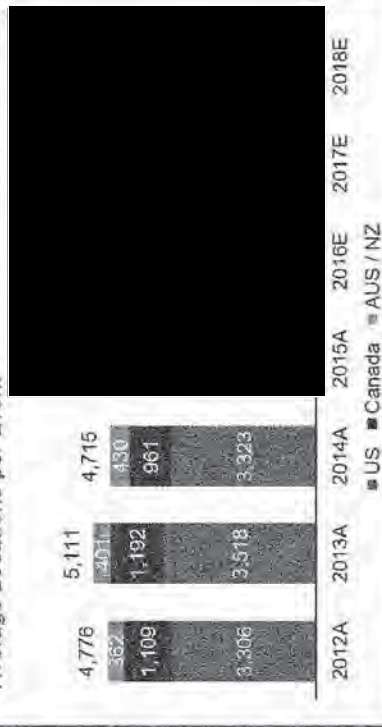
<sup>1</sup> \$250 per location per event estimated based off 2015.

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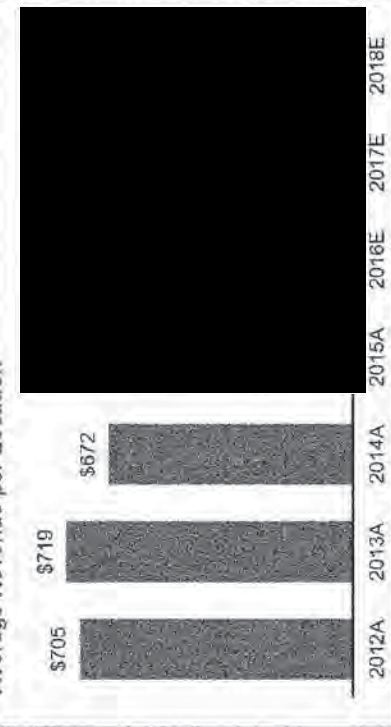
### Commercial PPV Locations

Average Locations per Event



### Commercial PPV Pricing

Average Revenue per Location



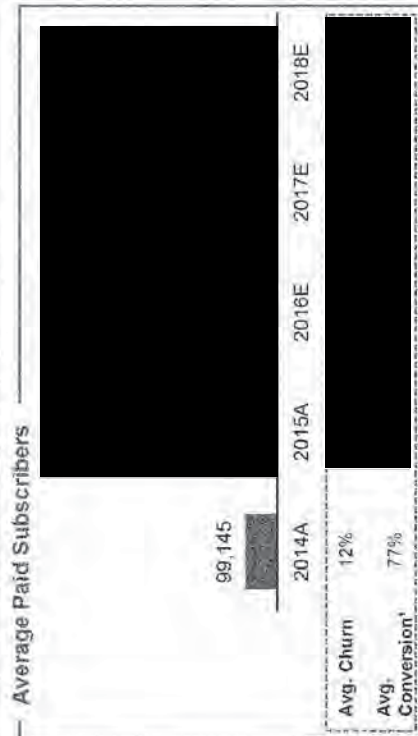


## Content Driver: *UFC FIGHT PASS*

### UFC Digital Content Revenue



### UFC FIGHT PASS Key Assumptions



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<sup>1</sup> Average conversion from new actives to paid actives (new actives are free trial subscribers).

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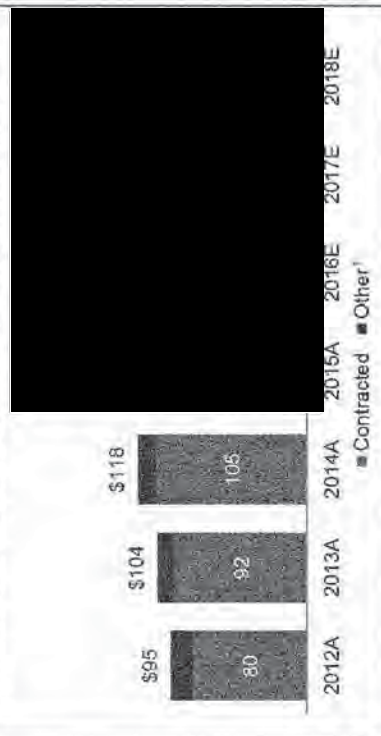
- UFC FIGHT PASS has already surpassed 300k subscribers with minimal external marketing spend to date
- Current budget assumes 6 exclusive UFC events per year (in addition to PPV & linear TV prelims)
  - UFC has yet to place a premium event on UFC FIGHT PASS in US prime time
- Conservatively projects slight increase in month-to-month retention over the projection period (~3% increase from 2016 - 2020)
  - Retention varies on monthly basis, peaking in months with premier exclusive UFC events
- Conversion of free-trial subscribers held constant at 79% monthly average (based on historical data)
- UFC FIGHT PASS is priced at \$9.99 per month and is assumed constant in the projection period
  - Assumes UFC net revenue per buy of [Redacted]



## Content Driver: US Media Rights

### Domestic Media Rights

Historical and Projected US Media Rights Revenue (\$ in mm)



- Optimization of US / Canada distribution strategy in 2019 will result in significantly greater rights fees given:

- Ratings performance of UFC content across FOX's networks
- Increasing value of live premium sports content in the currently fragmented audience environment
- Increased competition among broadcasters and new media distribution platforms
- UFC's success in attracting advertiser-coveted demographics
- Creation of distinct content packages and unbundling of US Spanish-language rights
- Precedent sports rights contract renewals
- Despite representing a significant jump from the previous SPIKE / Versus deals, the current FOX deal is significantly below market
- Unlike the sports leagues, UFC bears all content production costs

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Source: Wall Street Research, Nielsen, SNL Kagan and publicly available information.

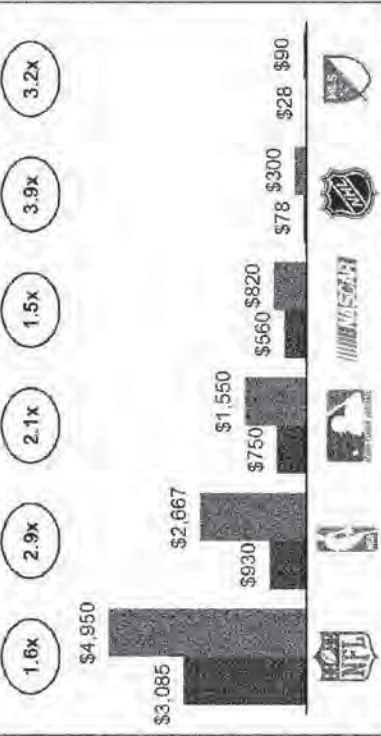
<sup>1</sup> Includes FOX spot inventory value.

<sup>2</sup> P2+ ratings from 2014-2016 for UFC Fight Nights on FS1.

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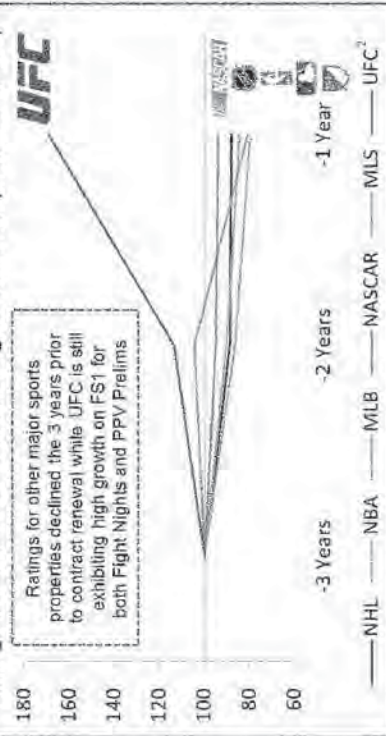
### Precedent Sports Rights Fee Increases

Increase of US Media Rights AAV for Major Sports (\$ in mm)





































































































### League Viewership Prior to Rights Renewal

Ratings 3 Years Prior to Media Rights Renewal (Indexed to 100)





## Potential Bidders for UFC US Media Rights

Distribution Partner	Type	Current Major Licensed Sports Content
<b>FOX</b>	Broadcast	<b>UFC</b>     
<b>NBC</b>	Broadcast	    
<b>CBS</b>	Broadcast	    
<b>CBS</b>	Broadcast	    
<b>UNIVISION</b>	Broadcast	    
<b>T</b>	Broadcast	    
<b>CBS</b>	Broadcast	    
<b>ESPN</b>	Fully Distributed Sports Cable Network	<b>UFC</b>     
<b>ESPN</b>	Fully Distributed Sports Cable Network	    
<b>ESPN</b>	Fully Distributed Sports Cable Network	    
<b>ESPN</b>	Fully Distributed Sports Cable Network	    
<b>ESPN</b>	Fully Distributed Cable Network	    
<b>ESPN</b>	Fully Distributed Cable Network	    
<b>Spike</b>	Fully Distributed Cable Network	    
<b>Spike</b>	Multi-system Operator	    
<b>Spike</b>	Over-the-top	    
<b>Google / YouTube</b>	Over-the-top	    
<b>Fi</b>	Over-the-top	    
<b>Twitter</b>	Over-the-top	    
<b>SHOWTIME</b>	Premium Cable Network	    
<b>HBO</b>	Premium Cable Network	    
<b>verizon</b>	Telecommunications Provider	    

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47

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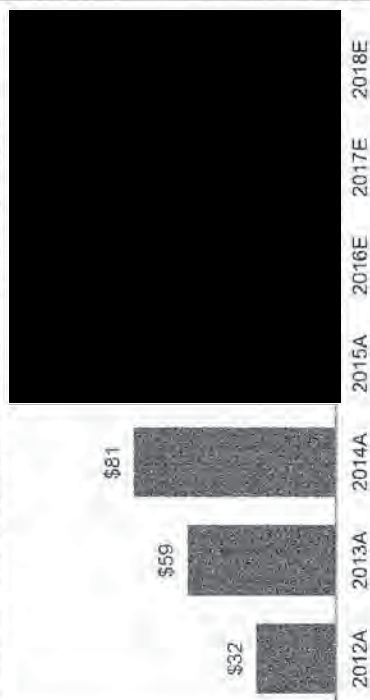
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## Content Driver: International Rights Fees

### International Media Rights

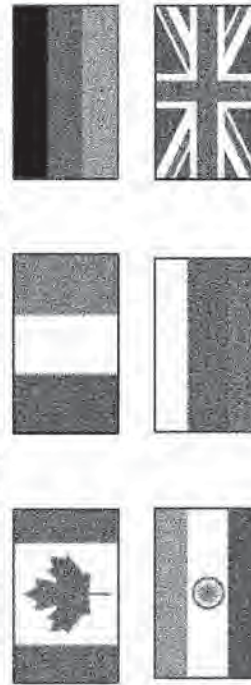
Historical and Projected Int'l Media Rights Revenue (\$ in mm)



- UFC generates international media rights licensing fees in 142 territories for all events and programs; these partnerships are completed on a country-by-country basis
- Brazil is UFC's most significant international market, generating revenue through a partnership with FTA provider Globo and through a revenue share on a premium UFC subscription network, Combate
- Opportunity to replicate the success of Brazil across key markets through continued investment in localized content and events (e.g., Asia and Europe Fight Nights) and broad media relationships
- Recent renewals of China (1,456% YoY growth), Sweden (182%), Philippines (107%), and South Korea (34%) media rights deals are leading indicators of international upside

### Undermonetized Markets

Media rights in the following markets have been artificially depressed for various reasons and represent tremendous near-term potential: Canada, France, Germany, India, Russia and UK



### Historical Precedent for Media Rights Increases

Recent growth in China, Philippines, South Korea and Sweden are representative of the revenue potential internationally given the continued investment in these markets



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## SECTION 2

### Live Events

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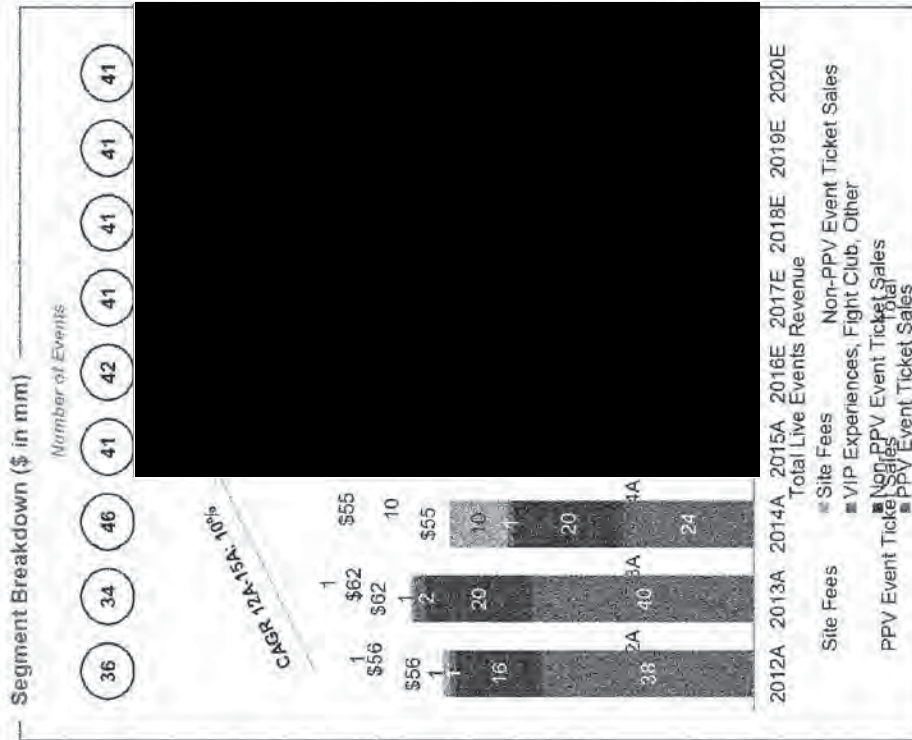


## Live Event Revenue Overview

### Revenue Drivers

- With over 300 events held to date in 19 countries, UFC expects to host 41+ events per year going forward
- UFC events are premium consumer experiences and are instrumental in building brand awareness
- The events generate substantial revenue through ticket sales (one of the highest ticket prices in sports) and create incremental revenue opportunities from concessions, merchandise, and site fees
  - UFC typically hosts 5-6 marquee events annually in Las Vegas
  - Opening of NY markets allows for 1-2 more Las Vegas - level gates
  - Opportunistically secure above-market site fees in select international markets
- Further live event revenue growth expected from the continued development of pricing technologies such as dynamic pricing, secondary resale platforms and alternative sale platforms such as GroupOn Live, LivingSocial, WalMart Ticket Outlets and Score Big
- Actively working with Ticketmaster on creating a consolidated UFC-specific sale, resale and dynamic pricing platform to maximize revenue streams

### Live Event Revenue



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## Live Event Driver: Ticket Sales

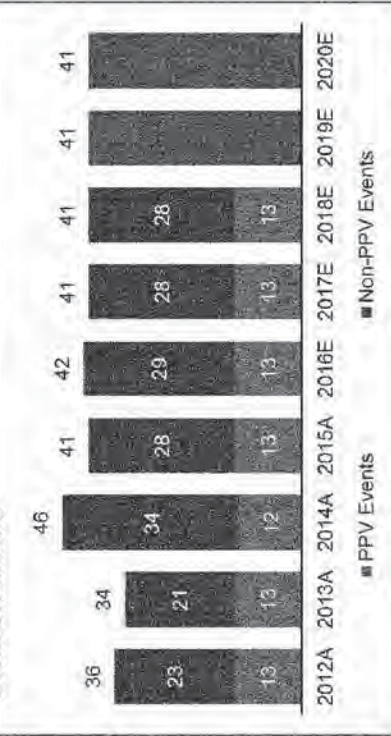
### PPV and Non-PPV Ticket Sales

Historical and Projected Average Ticket Price



### PPV and Non-PPV Events

Event Breakdown



- Historical sell-through rates of 70%-75%

- The forecasted growth in PPV ticket prices in 2016 is driven by several marquee events (e.g. UFC 200), opening of T-Mobile arena in LV, and the legalization of MMA in NY

- UFC 196 in the MGM arena boasted an avg. ticket price of \$611

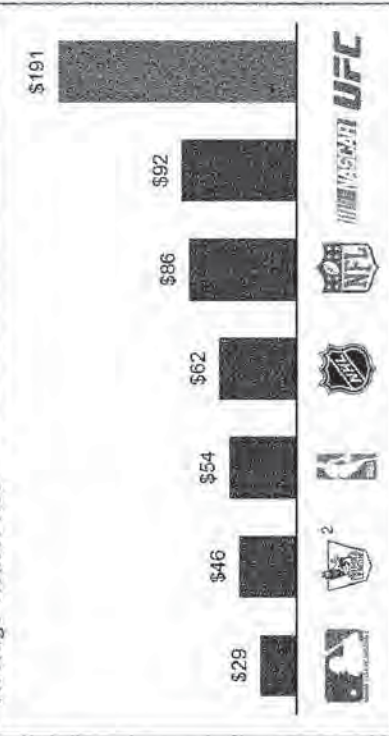
- In addition to marquee events, ticket price growth is driven by smaller events (tickets per event decline to 11.8k vs. 14.0k in 2015) which have higher average ticket prices

- Conservatively forecast PPV ticket prices to decrease in 2017 after UFC 200 and initial NYC event in 2016

- Conservatively forecast non-PPV ticket prices remaining nearly flat

### Sports Leagues Ticket Price Benchmarking

Average Ticket Price<sup>1</sup>



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Source: Average ticket prices as per Team Marketing Report and publicly available information.

<sup>1</sup> Average ticket price as of 2015: MLB, NBA, NFL, and NFL pricing excludes playoffs and represents a weighted average of season ticket prices for general seating categories.

<sup>2</sup> Average price £32.50 converted to USD at 1.41 USD / GBP.

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# SECTION 3

## Sponsorship

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# Sponsorship Revenue Overview

## Revenue Drivers

- UFC monetizes sponsorship through the sale of in-venue and in-broadcast assets, content product integration, rights to marks and digital impressions
- UFC is a compelling sports property for advertisers
  - 1.1bn TV households reach
  - Second highest concentration of young viewers
  - Skews towards males 18-34 and males 18-49
  - Reliable and consistent exposure through the year (no seasonality)
- The sponsorship segment has historically lagged the development of UFC's content segment
  - Youth of sport and brand have required education at the C-suite level
  - The controversial start of the brand remained an overhang
  - Lack of brand definition partners could center around
  - Fragmented approach to sales
- The restructured business model and explosive growth in Brazil, as UFC established a meaningful in market presence, saw a step-change in the business with annual revenues growing by ~60% to \$57M in 2012
- Revenue has remained fairly stable, despite Brazil sales becoming a headwind due to the deteriorating economy and the country hosting the two largest sporting events in the world
- Well positioned to grow in the future
  - Brand strategy and structure allow partners to build impactful activations
  - Established network of agencies in international markets
  - Sponsorship shift towards content integration perfectly suited for UFC
  - Legalization of professional MMA in NY

## Sponsorship Revenue

Segment Revenue (\$ in mm)



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<sup>1</sup> ~\$5.2mm added from consumer products due to reclassification of revenues into sponsorship.

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# Sponsorship Drivers: Categories and Inventory

## Sponsorship Drivers

- As our fan base has grown, more mainstream sponsors have looked to associate their brands with MMA and UFC
- Today, UFC's sponsorship revenue is driven by major global partners, including ABInBev (BudLight), Monster Energy, Harley Davidson, and MetroPCS
  - These sponsors are contracted through 2017/2018
- Significant opportunity remains to grow revenue through securing partners in the remaining open categories
- When compared to staple sponsorship categories for major sports properties, UFC has 15 categories available to future partners
- Additionally, growth will be driven by rate card increases and sell-through rate improvement, particularly in international markets
- With complete ownership and control over our production capabilities, UFC has the ability to create bespoke short-form content for partners and offer integration opportunities across its existing programming
- Further opportunity exists in leveraging sponsors' relationships at retail and creating point-of-sale activations

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Source: Publicly available information.

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## Sponsorship Categories

Category	Available Categories	Exclusive Partner
Automobile Manufacturers		X
Automobile Aftermarket - Manufacturers		X
Automobile Aftermarket - Tires		Toyot Tires
Beverages - Beer		ABInBev
Beverages - Energy		Monster Energy
Beverages - Soft Drinks, Tea & Water		X
Beverages - Spirits		X
Consumer Electronics (includes cell phones)		X
Consumer Packaged Goods - Food		X
Consumer Packaged Goods - Non-Food		X
Entertainment - Other		X
Entertainment - Video Games		X
Entertainment - Video Game Platforms & Television		X
Financial Services		X
Insurance (Auto)		X
Insurance (Life and non-life)		X
Motorcycles and Watercrafts		Harley Davidson
QSR - pizza		X
QSR - Burger, Sandwiches, Other		X
Telecommunications Providers		MetroPCS

## Global Sports League Sponsors

League Sponsors by Category
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# SECTION 4

## Consumer Products

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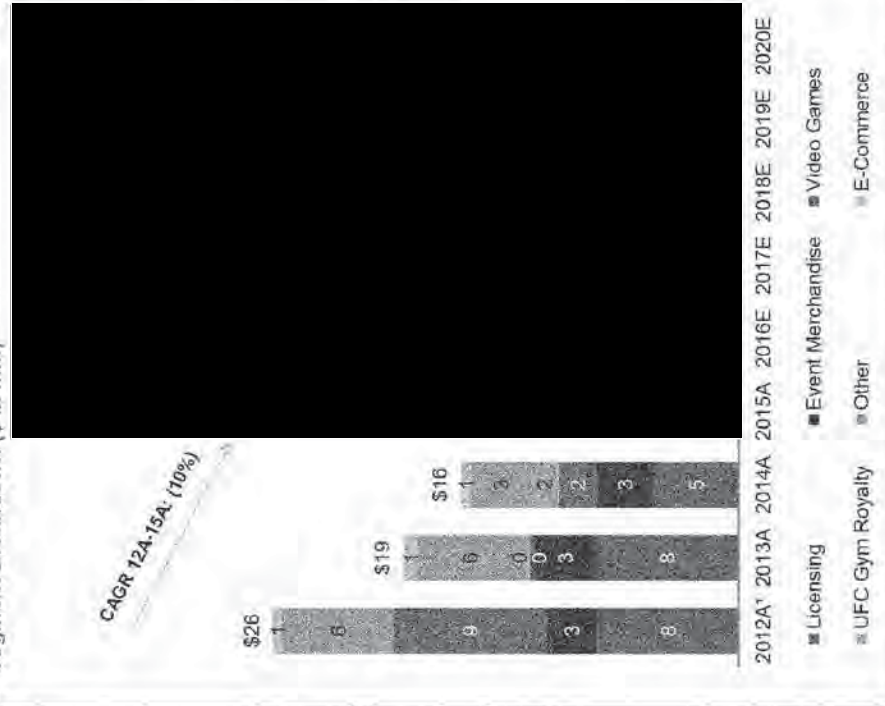
## Consumer Products Revenue Overview

### Revenue Drivers

- Although the consumer products business has secured significant partnership recently, it remains relatively underdeveloped compared to other sports properties
- UFC has invested in building out a best-in-class consumer products team and is focused on partnering with global category leaders
- In 2013, UFC made the strategic decision to wind down the self-sourced apparel business and transition to a high-margin licensing-centric model
- Today, UFC generates consumer products revenue through:
  - UFC fight kit partnership with Reebok
  - Video game partnership with EA Sports
  - Merchandise sales at live events
  - UFC's e-commerce offerings through UFCStore.com
  - Other licensing deals across categories including apparel, athletic gear, memorabilia, home & office, and others
- Additional revenue from UFC's 50/50 joint-venture in UFC Gym
  - UFC Gym provides more than revenue as it increases consumer awareness and allows for fan participation

### Consumer Products Revenue

Segment Breakdown (\$ in mm)



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1 - \$5.2mm subtracted from consumer products due to reclassification of these revenues into sponsorship.

56

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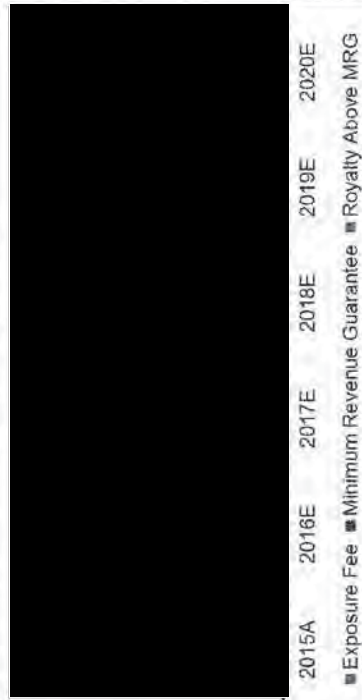
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## Consumer Products Drivers: Key Partnerships

### UFC Apparel: Reebok

Total Reebok Licensing Revenue (\$ in mm)



- Marquee licensing partnerships with int'l brands, Reebok and EA Sports
- In 2015, UFC instituted its Athlete Outfitting Policy with Reebok to provide a consistent presentation during official UFC events
  - 6-year deal composed of exposure fee, minimum revenue guarantees ("MRG"), and upside through royalties on actual sales
  - In 2016, UFC / Reebok product will be carried in 810 doors worldwide
- Multi-year, multi-product contract with EA Sports, the premium sports video game developer, in which UFC received royalties based on game sales
  - Forecasted revenues represent contractual increases in MRG
- While these recent successes have driven growth, consumer products revenue is still greatly undermonetized



Source: Company filings.

† WWE Consumer Products revenue includes licensing, venue merchandise and WWEShop.

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### EA Partnership Revenue

Guaranteed Royalties (\$ in mm)



### Case Study: UFC vs. WWE Consumer Products

2015 Consumer Products Revenue (\$mm) <sup>†</sup>	~\$98.4	~\$98.4
% of Total Revenue	~14.9%	~14.9%



# SECTION 5

## Expenses

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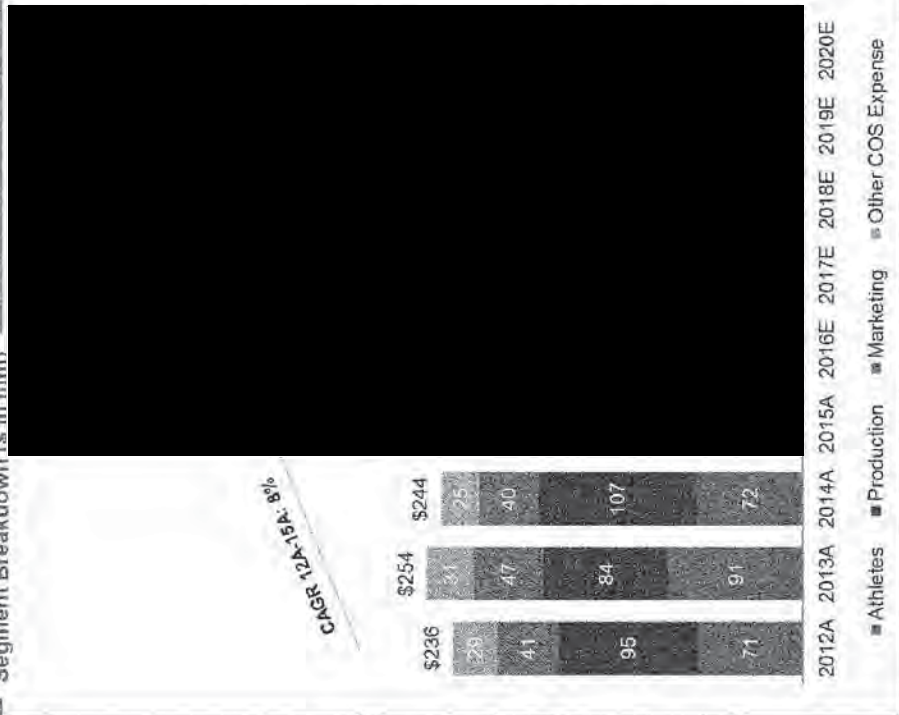
## Costs of Sales Overview

### Costs of Sales Drivers

- Athletes – Primarily composed of athlete compensation (purse and bonuses). With the increase in content revenue in 2019, conservatively projecting a step-change in fighter compensation in-line with the revenue increase. Other expenses included are:
  - Athlete sponsorship
  - Athlete outfitting policy ("AOP") payments
  - Medical and drug testing
  - Insurance
  - Athlete merchandise royalties
- Production – Includes all production costs for live events, The Ultimate Fighter and other original programming, including TV trucks, personnel, equipment, announcers, and stage labor
- Marketing – Includes all marketing costs including event, ticket, and brand
- Other Costs of Sales ("COS") Expense – Expenses included are:
  - Venue costs
  - Event merchandise COGS
  - Ticket tax
  - PPV and Broadcast tax
  - Website expenses
  - Commissions and fees

### Costs of Sales

Segment Breakdown (\$ in mm)



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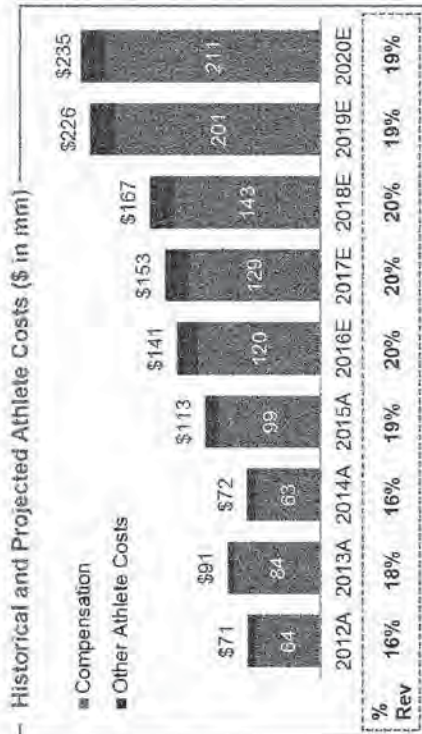
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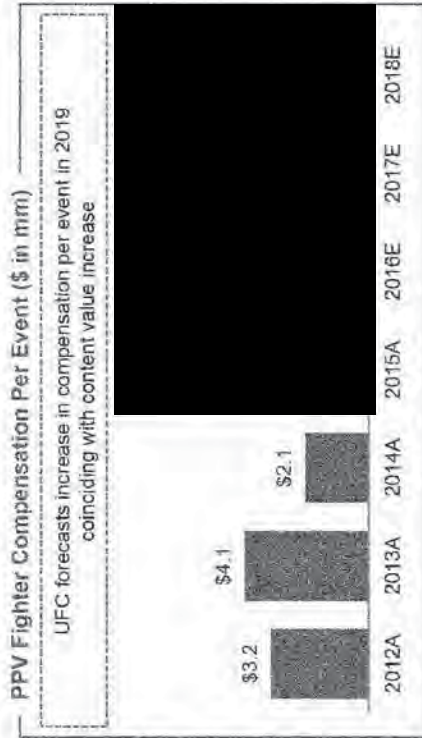
## Costs of Sales Driver: Athletes

### Athlete Costs

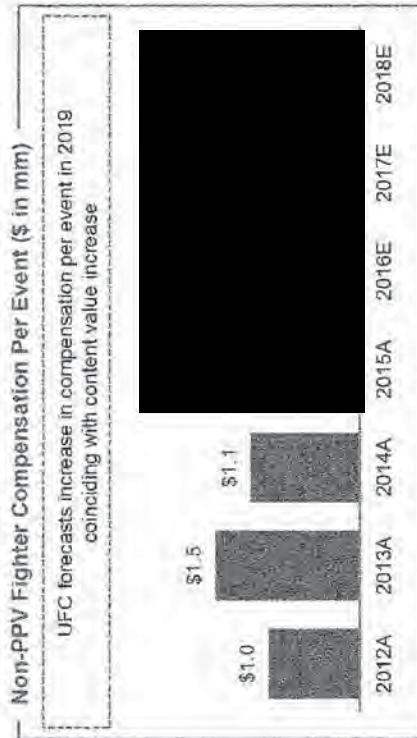


- Conservatively projects considerable fighter compensation growth, increasing from \$99mm in 2015 to over \$210mm by 2020
- PPV fighter compensation varies with the success of the PPV event
- Assumes PPV and non-PPV event fighter compensation grows at the same rate with increase in content revenues
- Other Athlete costs such as medical, drug testing, insurance, etc. grow considerably in 2016 to reflect annualized run rate of AOP and Anti-Doping Program
  - AHPC costs reflected in 2017; expected to be offset by sponsorship opportunities

### PPV Fighter Purse and Bonus



### Non-PPV Fighter Purse and Bonus



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60

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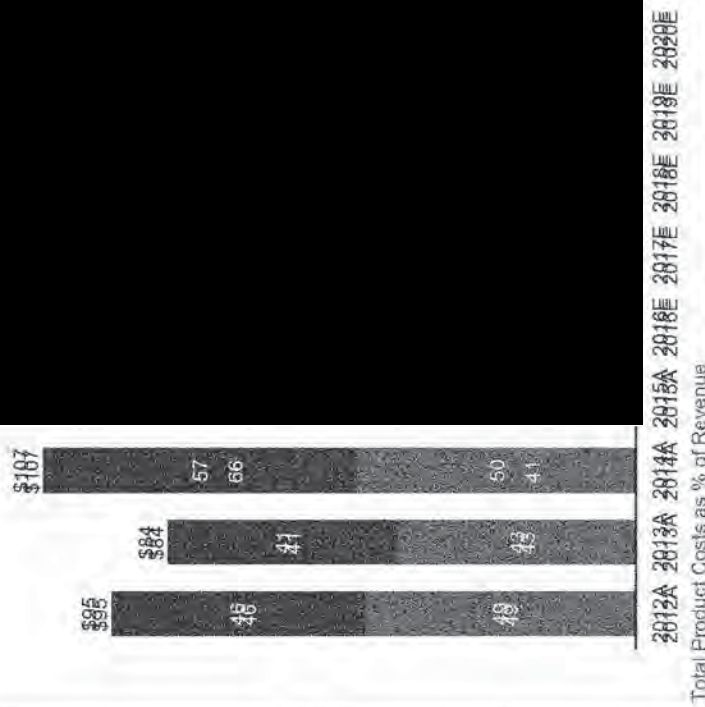
## Costs of Sales Driver: Production Costs

### Production Drivers

- The current forecast assumes consistent number of events (42 in 2016, 41 thereafter) and thus management expects minimal increases in overall production costs
- The stable nature of these expenses provide for significant leverage in the business model allowing for incremental revenue to contribute directly to EBITDA
- Live event production costs include those related to PPV, FOX Network events, and Fight Pass events. Non-event productions costs include those related to The Ultimate Fighter, taped, and other shoulder programming

### Total Production Costs

Cost Breakdown (\$ in mm)



Total Product Costs as % of Revenue

% Rev	21%	16%	24%
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■ Live Event ■ Non-Event

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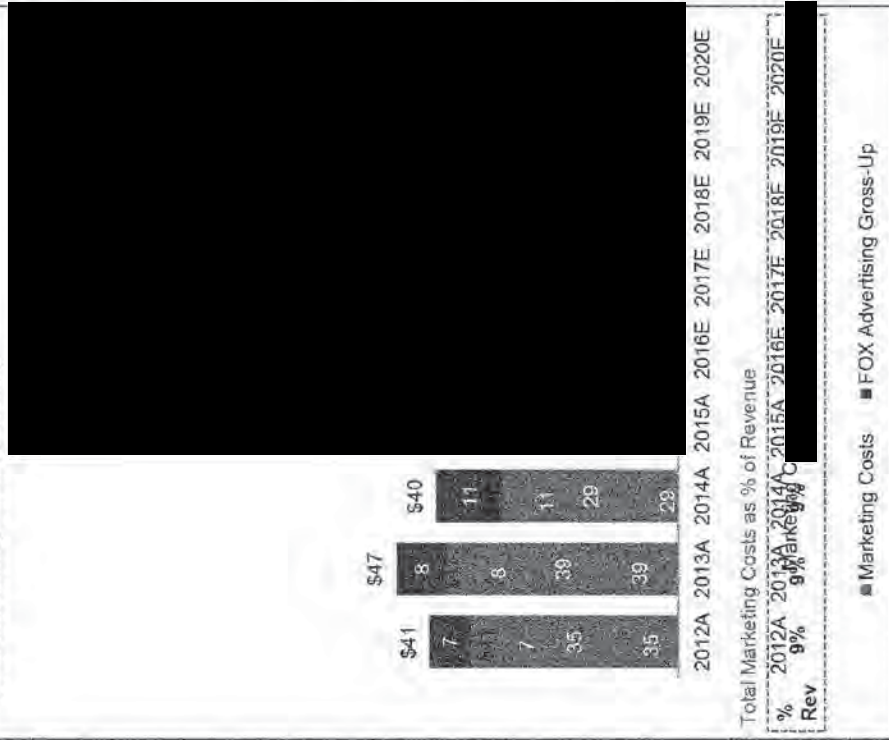
## Costs of Sales Driver: Marketing Costs

### Marketing Drivers

- Marketing expenses are driven by four major categories: event marketing (predominantly PPV), ticket marketing, brand marketing and FOX spot inventory costs
- FOX represents the contractual spot inventory which is accounted for in both revenue and expenses and has no negative impact to profitability
- Historically event marketing represented 80 - 85% of marketing costs, with the remainder mostly ticket marketing
- In 2015 and beyond, event marketing represents 60 - 65% of the costs, while branding represents 20% reflecting the increased focus on brand growth and fan engagement
- The increase in marketing in 2015 was driven by increased use of promotional content to drive awareness for events (Embedded), expansion of IFW, the rebrand initiative, and the increased investment in fan activations

### Marketing Costs

Total Marketing Costs (\$ in mm)



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62

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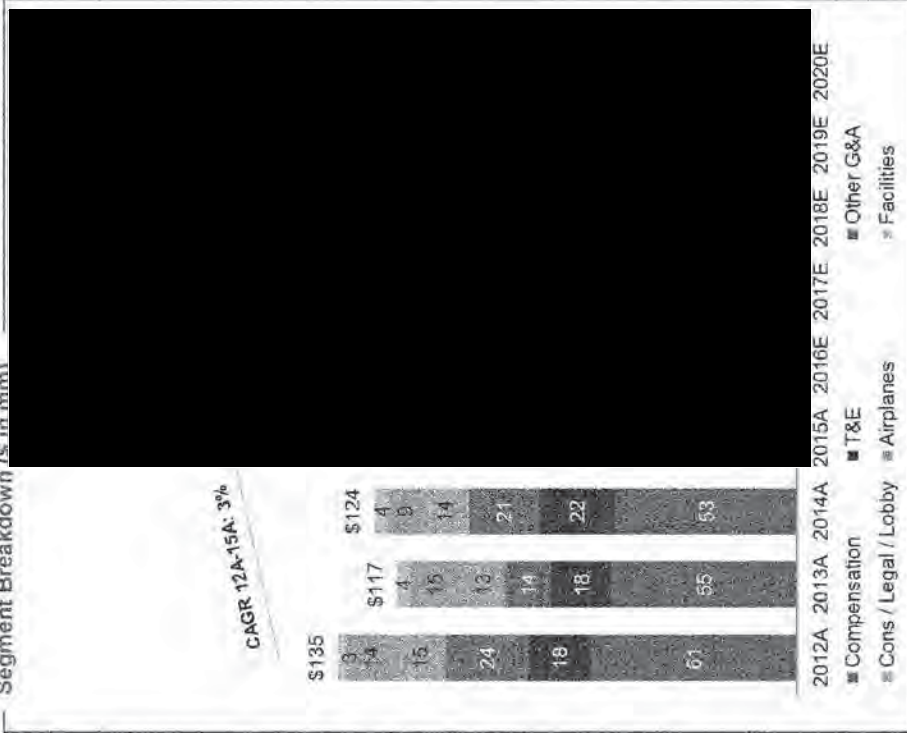
## Operating Expense Overview

### Operating Expense Drivers

- Compensation – Includes salary, bonus (modeled as 20% of salary), and supplemental bonus
  - Supplemental bonus is a non-traditional payment to current senior executives that will not be a go forward expense under new ownership
- Travel and Entertainment (“T&E”) – Includes travel-related expenses for fighters, Zuffa management and staff for live events and non-event travel around the world
- Other G&A – Includes expenses such as finance, public relations, office expenses, charitable donations, miscellaneous taxes and more
- Consulting / Legal / Lobby – Includes consulting and legal fees related to regulation of UFC in the US and internationally, as well as day-to-day business operations
- Airplanes – Accounts for all private jets used by current shareholders. Will not be a go forward expense under new ownership
- Facilities – Includes all expenses required to operate offices
  - Increase in 2017 related to new corporate headquarters

### Operating Expenses

— Segment Breakdown (\$ in mm)



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# SECTION 6

## Financial Summary

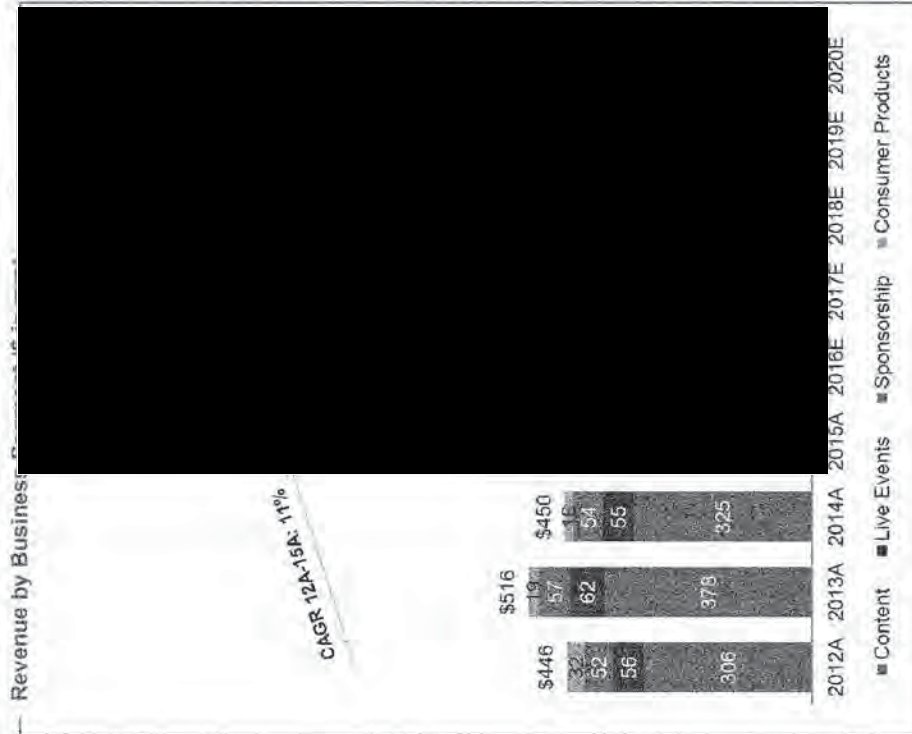
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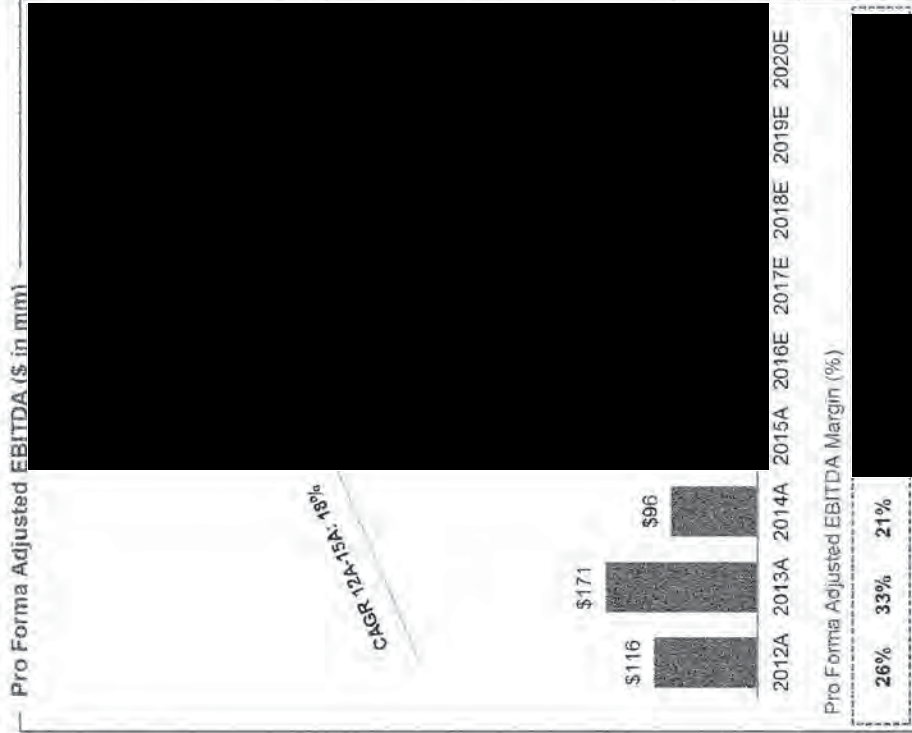


# Historical and Projected Financial Summary

## Revenue Projections



## Pro Forma Adjusted EBITDA Projections<sup>1</sup>



<sup>1</sup> Pro Forma for supplementary bonus and owner plane expense.

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## EBITDA to Cash Flow Conversion

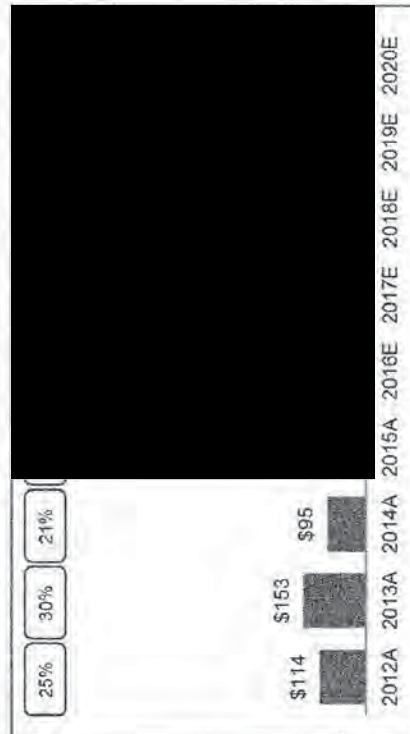
Capex (\$ in mm and as % of Revenue)



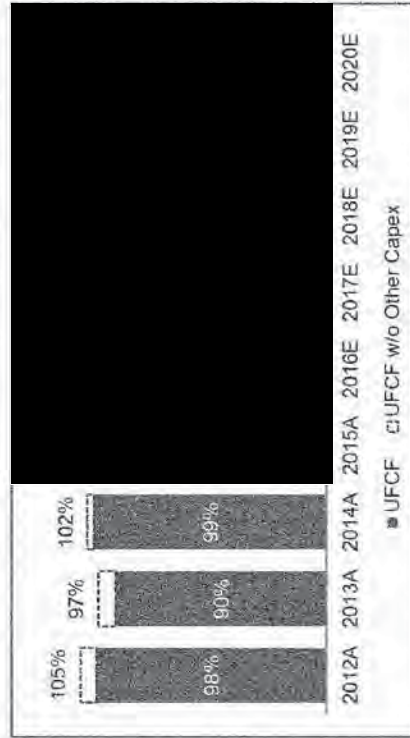
Change in WC (\$ in mm and as % of Revenue)



Unlevered FCF (\$ in mm and as % of Revenue)³



Unlevered Free Cash Flow Conversion (%)³



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¹ Includes investments in UFC GYM, UFC FIT, and Fight and from 2012 to 2016.

² Includes capex for corporate headquarters and AHPC. For 2017, includes \$13mm for land and building divestiture.

³ FCF defined as Pro Forma Adjusted EBITDA, less capital expenditures, less changes in working capital; UCF conversion reflects cash flow conversion with and without other capex.

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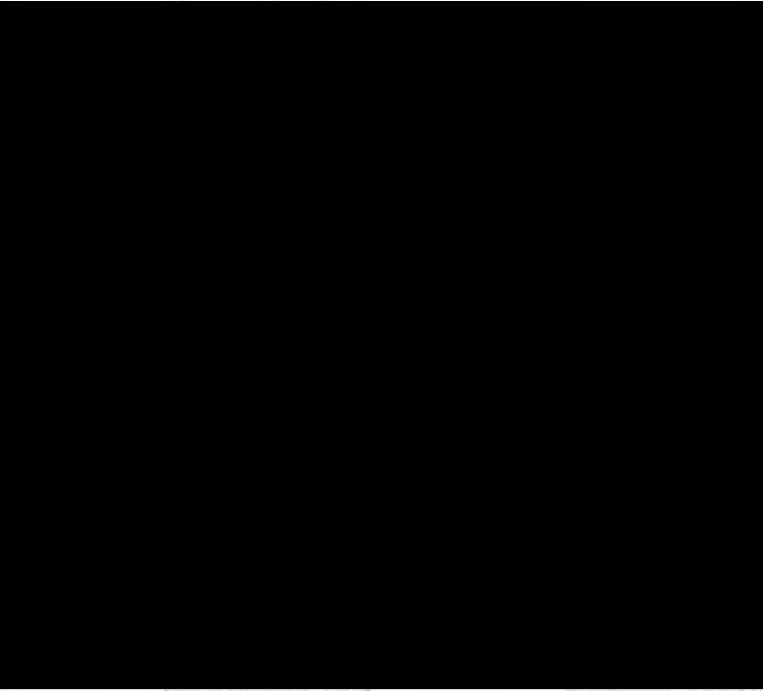
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## Operating Leverage

Given UFC's stable, efficient cost structure, incremental revenue largely flows to the bottom line

Operating Lever	Commentary	2018E Metric	Adjustment	Impact
PPV Buys (% Growth)	Increase PPV buys through organic growth and additional marketing			
PPV Blended Net Revenue Split	Potential to increase PPV split with PPV providers when US / Canada deals expire in 2018			
Average # of UFC FIGHT PASS Subscribers	Increased marketing efforts or moving additional content to UFC FIGHT PASS can substantially increase number of subscribers			
Average # of Commercial PPV Locations / Event	Currently in negotiation with large chains which could add hundreds of locations at once			



67

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# Historical and Projected Financial – Detailed

Revenue	2012A	2013A	2014A
<b>Content</b>			
Residential PPV	\$131	\$164	\$78
US Rights Fees	95	104	118
International Rights Fees	36	62	83
Commercial PPV	44	48	38
Fight Pass	1	1	9
<b>Total Content Revenue</b>	<b>\$306</b>	<b>\$378</b>	<b>\$325</b>
<b>Live Events</b>			
PPV Event Ticket Sales	\$38	\$40	\$24
Non-PPV Event Ticket Sales	16	20	20
VIP Experiences Fight Club Other	1	2	1
Site Fees	1	1	10
<b>Total Live Events Revenue</b>	<b>\$56</b>	<b>\$62</b>	<b>\$55</b>
<b>Sponsorship</b>			
<b>Total Sponsorship Revenue</b>	<b>\$52</b>	<b>\$57</b>	<b>\$54</b>
<b>Consumer Products</b>			
Licensing	\$13	\$8	\$5
Event Merchandise	3	3	3
Video Games	9	0	2
UFC Gym Royalty	~	0	2
Other	6	6	3
E-Commerce	1	1	1
<b>Total Consumer Products</b>	<b>\$32</b>	<b>\$19</b>	<b>\$16</b>
<b>Total Revenue</b>	<b>\$446</b>	<b>\$516</b>	<b>\$450</b>
<b>Expenses</b>			
Cost of Sales			
Artists	\$71	\$91	\$72
Production	95	84	107
Other Cost of Sales	71	78	65
<b>Total Cost of Sales</b>	<b>\$236</b>	<b>\$253</b>	<b>\$244</b>
<b>Gross Profit</b>	<b>\$210</b>	<b>\$263</b>	<b>\$206</b>
<b>Gross Margin (%)</b>	<b>47.0%</b>	<b>50.9%</b>	<b>45.7%</b>
<b>Operating Expenses</b>			
Compensation	\$61	\$55	\$52
T&E	18	18	22
Other G&A	24	14	21
Costs / Legal / Lobby	15	13	14
Airplanes	14	16	9
Facilities	3	4	4
<b>Total Operating Expenses</b>	<b>\$135</b>	<b>\$117</b>	<b>\$124</b>
<b>EBITDA</b>	<b>\$75</b>	<b>\$145</b>	<b>\$82</b>
<b>EBITDA Margin (%)</b>	<b>28.0%</b>	<b>28.0%</b>	<b>18.1%</b>
<b>Adjustments</b>			
Adjustments	\$29	(30)	(\$1)
<b>Adjusted EBITDA</b>	<b>\$105</b>	<b>\$114</b>	<b>\$81</b>
Add: Supplemental Bonus		\$12	\$7
Add: Owner Plane Expensed	14	10	9
Less: Additional T&E	(12)	(12)	(2)
Add: Disposal FF&E for Move to New Facility			
<b>Re-Adjusted EBITDA</b>	<b>\$107</b>	<b>\$112</b>	<b>\$95</b>
<b>FF Adjusted EBITDA Margin (%)</b>	<b>24.0%</b>	<b>33.1%</b>	<b>21.4%</b>

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<sup>1</sup> Include deferred comp. loss on impairment, termination expense, video game signing bonus and other.  
<sup>2</sup> 75% of supplementary bonus added to Adjusted EBITDA.  
<sup>3</sup> Removal of owner plane expense offset by \$1.5mm increase in T&E.

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# Historical Balance Sheet

	December 31,	2015A
(\$ in 000s)	2014A	
<b>Assets</b>		
<b>Current Assets:</b>		
Cash and Cash Equivalents	\$7,515	
Accounts Receivable, Net	35,237	
Due from Related Parties	1,355	
Inventories, Net	1,139	
Investment in Trading Security	82	
Prepaid Expenses and Other Current Assets	5,831	
Film and Television Costs, Net	40	
<b>Total Current Assets</b>	<b>\$51,199</b>	
Property and Equipment, Net	\$41,338	
Goodwill	66,898	
Intangible Assets, Net	806	
Notes Receivable from Related Party	703	
Investments	7,160	
Film and Television Costs, Net	2,446	
Other Noncurrent Assets	2,773	
<b>Total Assets</b>	<b>\$173,323</b>	
<b>Liabilities and Members' Deficit</b>		
<b>Current Liabilities:</b>		
Accounts Payable	\$9,864	
Current Portion of Long-Term Debt, Net	4,373	
Due to Related Parties	929	
Accrued Expenses and Other Current Liabilities	34,199	
Deferred Revenues	5,419	
<b>Total Current Liabilities</b>	<b>\$54,784</b>	
Long-Term Debt, Net	\$463,652	
Guaranty Liability	665	
Other Noncurrent Liabilities	11,002	
<b>Total Liabilities</b>	<b>\$530,103</b>	
Commitments and Contingencies	0	
Members' Deficit	(356,780)	
<b>Total Liabilities &amp; Members' Deficit</b>	<b>\$173,323</b>	

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